

Current Class: UNCLASSIFIED
Current Handling: n/a
Document Number: 2000BOGOTA06314

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FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6154
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
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COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
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TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

REF: STATE 98069

1. BELOW FOLLOWS TEXT OF THE 2000 INVESTMENT CLIMATE STATEMENT FOR COLOMBIA.
2. BEGIN TEXT

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OPENNESS TO FOREIGN INVESTMENT

TWO PROFESSED PRINCIPLES CONTINUE TO GUIDE COLOMBIA'S FOREIGN INVESTMENT POLICY: 1) EQUALITY, BY WHICH FOREIGN AND NATIONAL INVESTMENTS RECEIVE THE SAME LEGAL AND ADMINISTRATIVE TREATMENT; AND 2) OPENNESS, BY WHICH FEW RESTRICTIONS APPLY REGARDING THE AMOUNT OF FOREIGN INVESTMENT OR ITS DESTINATION. AS IS THE CASE FOR MANY OTHER COUNTRIES, NEITHER PRINCIPLE IS FULLY OBSERVED, ALTHOUGH SIGNIFICANT PROGRESS HAS BEEN ACHIEVED.

THE PRIMARY REGULATIONS GOVERNING FOREIGN INVESTMENT ARE LAW 9 OF 1991, RESOLUTIONS 51, 52, AND 53 OF THE COUNCIL ON ECONOMIC AND SOCIAL POLICY (CONPES) AND RESOLUTION 21 OF THE BOARD OF DIRECTORS OF THE CENTRAL BANK (BANCO DE LA REPUBLICA). THEY GRANT NATIONAL TREATMENT TO FOREIGN INVESTORS AND PERMIT 100 PERCENT FOREIGN OWNERSHIP IN VIRTUALLY ALL SECTORS OF THE COLOMBIAN ECONOMY. EXCEPTIONS INCLUDE NATIONAL SECURITY AND THE DISPOSAL OF HAZARDOUS WASTE PRODUCTS. IN JULY 1996, CONPES

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ELIMINATED THE REQUIREMENT OF GOVERNMENT AUTHORIZATION PRIOR TO INVESTMENT IN PUBLIC SERVICES, MINING, AND HYDROCARBONS; HOWEVER, DIRECT INVESTMENT IN THESE SPECIFIC SECTORS IS STILL SUBJECT TO CONCESSION AGREEMENTS WITH THE APPROPRIATE COLOMBIAN GOVERNMENT ENTITY. PROHIBITIONS ON FOREIGN INVESTMENT IN REAL ESTATE COMPANIES WERE ABOLISHED BY DECREE 241 OF FEBRUARY 8, 1999. CONPES APPROVED ON JUNE 1, 2000 MODIFICATIONS TO THE RULES GOVERNING FOREIGN PORTFOLIO INVESTMENT. THE NEW DECREE, WHICH WILL BE ISSUED SOON, WILL PROVIDE FOR THE ELIMINATION OF LIMITS ON ACQUISITION OF SHARES WITH VOTING RIGHTS BY FOREIGN INVESTMENT FUNDS. LIKEWISE, AUTOMATIC AUTHORIZATION FOR THESE FUNDS WILL BE ESTABLISHED.

THE OPENING OF THE COLOMBIAN ECONOMY, OR APERTURA, WHICH BEGAN IN 1991, FACILITATED THE IMPORTATION OF MOST SERVICES. SECTOR LIBERALIZATION HAS PROGRESSED FARTHEST IN FINANCIAL SERVICES, TELECOMMUNICATIONS, ACCOUNTING/AUDITING, ENERGY AND TOURISM. IT HAS OCCURRED TO A LESSER EXTENT IN AUDIOVISUAL SERVICES, LEGAL SERVICES, INSURANCE, DISTRIBUTION SERVICES, ADVERTISING AND DATA PROCESSING. COLOMBIA ALSO RESTRICTS THE MOVEMENT OF PERSONNEL IN SEVERAL PROFESSIONAL AREAS, SUCH AS ARCHITECTURE, ENGINEERING, LAW AND CONSTRUCTION. FOR FIRMS WITH MORE THAN TEN EMPLOYEES, NO MORE THAN 10 PERCENT OF THE GENERAL WORKFORCE AND 20 PERCENT OF SPECIALISTS CAN BE FOREIGN NATIONALS. THERE IS A CONSTANT, IF GRADUAL, ATTEMPT UNDERWAY TO LIBERALIZE AREAS WHERE RESTRICTIONS REMAIN IN FORCE.

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THE COLOMBIAN GOVERNMENT REGARDS DUTY FREE ZONES AS POLES OF INDUSTRIAL, COMMERCIAL, TOURIST AND TECHNOLOGICAL DEVELOPMENT FOCUSED LARGELY ON OVERSEAS MARKETS. DUTY-FREE ZONES ARE REGULATED BY DECREE 2131 OF 1991, WHICH ESTABLISHED DUTY-FREE

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 ZONES FOR INDUSTRIAL, TOURIST, AND TECHNOLOGICAL SERVICES SUPPLIED BY PRIVATE ORGANIZATIONS, AND DECREE 2111 OF 1992, WHICH ELIMINATED ALL STATE PARTICIPATION IN THE OPERATION OF DUTY-FREE ZONES THROUGH A PROCESS THAT CONCLUDED IN 1994. DECREE 97 OF 1993 ESTABLISHED TARIFFS FOR DUTY-FREE ZONES. MOST COMPANIES OPERATING IN DUTY-FREE ZONES MANAGE OPERATIONS WITH LARGE-SCALE PRODUCTION AND A HIGH DEGREE OF LABOR SPECIALIZATION. FOREIGN CAPITAL INVESTMENT IN DUTY-FREE ZONES IS ENTITLED TO UNRESTRICTED REPATRIATION OF CAPITAL AND PROFITS. USERS OF DUTY-FREE ZONES ARE NOT OBLIGED TO SURRENDER PROCEEDS FROM THE SALE OF GOODS AND SERVICES ON THE OFFICIAL EXCHANGE MARKET. THEY ARE ALSO EXEMPT FROM INCOME, WITHHOLDING AND REMITTANCE TAXES RELATED TO FOREIGN SALES. GOODS TRADED WITHIN DUTY-FREE ZONES ARE CONSIDERED OUTSIDE OF COLOMBIAN TERRITORY FOR IMPORT-EXPORT TARIFF PURPOSES. SHIPMENT TO FOREIGN MARKETS OF GOODS MANUFACTURED OR STORED IN A DUTY-FREE ZONE NEED ONLY AUTHORIZATION FROM THE OPERATOR OF THE ZONE. THERE ARE 15 DUTY-FREE ZONES IN COLOMBIA AS OF JANUARY 2000, OF WHICH 12 ARE FOR INDUSTRIAL AND TECHNOLOGICAL GOODS AND SERVICES AND THREE FOR TOURIST SERVICES.

FOREIGN INVESTORS HAVE PARTICIPATED IN A BROAD RANGE OF PRIVATIZATIONS, INCLUDING THOSE IN THE FINANCIAL, PORTS AND RAILWAYS, POWER GENERATION AND TELECOMMUNICATION SECTORS. AS

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WELL, FOREIGN CONTRACTORS MAY BID ON PUBLIC HIGHWAY CONCESSIONS.
THE INSTITUTE FOR INDUSTRIAL DEVELOPMENT (IFI) MANAGES SEVERAL
SMALLER ENTERPRISES THAT ARE ALSO AVAILABLE FOR PRIVATIZATION.

THE FOLLOWING RESTRICTIONS STILL EXIST:

ACCOUNTING AND AUDITING: PROVIDERS OF THESE SERVICES MUST BE
REGISTERED IN COLOMBIA. NO RESTRICTIONS APPLY TO SERVICES
OFFERED BY CONSULTING FIRMS OR INDIVIDUALS. SUBSIDIARIES OF U.S.-
BASED MULTINATIONAL FIRMS CONTROL 80 PERCENT OF THE ACCOUNTING
MARKET.

ADVERTISING: THERE IS NO LOCAL CONTENT REQUIREMENT FOR COLOMBIAN
TELEVISION, BUT THE NATIONAL TELEVISION COMMISSION CHARGES
FOREIGN-MADE ADS DOUBLE THE NATIONAL RATE FOR AIRTIME.

AUDIO-VISUAL SERVICES: COLOMBIAN TELEVISION BROADCAST LAWS (LAW
182/95 AND LAW 375/96) IMPOSE SEVERAL BURDENSOME RESTRICTIONS ON
FOREIGN INVESTMENT. FOR EXAMPLE, FOREIGN INVESTORS MUST BE
ACTIVELY ENGAGED IN TELEVISION OPERATIONS IN THEIR HOME COUNTRY.
FURTHERMORE, THEIR INVESTMENTS ARE LIMITED TO 15 PERCENT OF THE
TOTAL CAPITAL OF LOCAL TELEVISION PRODUCTION COMPANIES AND MUST
INVOLVE AN IMPLICIT TRANSFER OF TECHNOLOGY. NATIONAL
BROADCASTERS MUST TRANSMIT AT LEAST 70 PERCENT LOCALLY PRODUCED
PROGRAMMING DURING PRIME TIME AND AT LEAST 40 PERCENT DURING ALL

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OTHER TIMES.

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DATA PROCESSING AND INFORMATION: A COMMERCIAL PRESENCE IS
REQUIRED TO PROVIDE THIS SERVICE.

FINANCIAL SERVICES: COLOMBIA BEGAN LIBERALIZATION OF ITS
FINANCIAL SERVICES SECTOR IN 1991 WITH RESOLUTION 51, WHICH
PERMITTED 100 PERCENT FOREIGN OWNERSHIP OF FINANCIAL
INSTITUTIONS. HOWEVER, ALL FOREIGN INVESTORS (ACTING AS
INDIVIDUALS OR/AND INVESTMENT FUNDS) MUST RECEIVE PRIOR APPROVAL
FROM THE BANKING SUPERINTENDENCY TO ACQUIRE AN EQUITY
PARTICIPATION OF FIVE PERCENT OR MORE IN A COLOMBIAN FINANCIAL
ENTITY. THE USE OF FOREIGN PERSONNEL IN FINANCIAL INSTITUTIONS
REMAINS LIMITED TO ADMINISTRATORS, LEGAL REPRESENTATIVES AND
TECHNICIANS.

ON AUGUST 3, 1999, CONGRESS PASSED LAW 510, WHICH INCREASED
MINIMUM CAPITAL REQUIREMENTS FOR THE CREATION OF NEW FINANCIAL
ENTITIES. LAW 510 GIVES THE GOVERNMENT THE RIGHT TO INTERVENE IN
THOSE INSTITUTIONS THAT FAIL TO MEET PERFORMANCE REQUIREMENTS.
UNDER THIS LAW, REGISTRY IN THE FINANCIAL INSTITUTIONS GUARANTEE
FUND (FOGAFIN, THE FDIC EQUIVALENT) IS MANDATORY, BROADER RESERVE
REQUIREMENTS ARE ESTABLISHED, AND THE TERM ALLOWED FOR THE
LIQUIDATION OF FINANCIAL INSTITUTIONS IS EXTENDED FROM 6 TO 18
MONTHS. EXAMPLES OF FINANCIAL INSTITUTIONS IN WHICH THE
GOVERNMENT HAS RECENTLY INTERVENED ARE PUBLIC BANKS (BANCO DEL
ESTADO, BCH, AND BANCO POPULAR), PRIVATE BANKS (ANDINO, PACFICO,
AND SELFN), AS WELL AS OTHER FINANCIAL INSTITUTIONS SUCH AS A
SAVINGS AND LOANS INSTITUTION (GRANAHORRAR), AND A FINANCIAL
CORPORATION (FES). ON DECEMBER 23, 1999, CONGRESS PASSED LAW
546, WHICH RESTRUCTURED THE SYSTEM IN PLACE FOR FINANCING
HOUSING. THE NEW SYSTEM PROVIDES INCENTIVES AND BETTER PAYMENT
CONDITIONS FOR CREDIT HOLDERS, AND ELIMINATES THE MONOPOLY THAT
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SAVINGS AND LOANS INSTITUTIONS HAD ON THE HOUSEHOLD CREDIT
T
MARKET. AS OF JUNE 2000, THE GOVERNMENT STILL AWAITS FOR A
DECISION BY THE CONSTITUTIONAL COURT REGARDING THE
CONSTITUTIONALITY OF LAW 546.

HYDROCARBONS: COLOMBIA'S OIL PRODUCTION WAS AT AN ALL TIME HIGH
IN 1999, AN ESTIMATED 743,000 BARRELS PER DAY, UP FROM 100,000
BARRELS PER DAY IN THE EARLY 1980. HOWEVER, IT IS EXPECTED TO
BEGIN TO DECLINE IN 2000. IN 1999, COLOMBIA EARNED APPROXIMATELY

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\$3.7 BILLION FROM OIL EXPORTS, PROVIDING THE LARGEST SHARE OF THE COUNTRY'S EXPORT REVENUE. COLOMBIA HAS ABOUT 2.6 BILLION BARRELS OF PROVEN OIL RESERVES, AND POSSIBLY TEN TIMES THIS AMOUNT IN POTENTIAL RESERVES. ESTIMATES INDICATE THAT WITHOUT NEW DISCOVERIES, COLOMBIA COULD BECOME A NET OIL IMPORTER BY 2004.

ALL FOREIGN INVESTMENT IN PETROLEUM EXPLORATION AND DEVELOPMENT IN COLOMBIA MUST BE CARRIED OUT UNDER AN ASSOCIATION CONTRACT BETWEEN THE FOREIGN INVESTOR AND ECOPETROL, THE STATE OIL COMPANY. THE TERMS OF THE STANDARD ASSOCIATION CONTRACT WERE MODIFIED IN 1994, 1995, 1997, 1998, AND AGAIN IN 1999. THE PASTRANA ADMINISTRATION HAS ACKNOWLEDGED COLOMBIA'S NEED FOR NEW OIL RESERVE DISCOVERIES AND IMPLEMENTED A NEW HYDROCARBON POLICY

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DESIGNED TO ATTRACT FOREIGN INVESTMENT. THE NEW POLICY REPRESENTS ONE OF THE MOST COMPREHENSIVE REFORMS OF THE LAST 30 YEARS, AND HAS THE LONG-TERM GOAL OF PRODUCING 1.5 MILLION BARRELS PER DAY BY THE YEAR 2010.

COLOMBIA'S IMPROVED TERMS, WITH MUCH FASTER COST RECOVERY, PROVIDE A SIGNIFICANT INCREASE TO A TYPICAL PROJECT'S EXPECTED RATE OF RETURN. ON AVERAGE, THE STATE TAKE WILL DROP BETWEEN 15 TO 40 PERCENT IN COMPARISON TO THE OLD REGIME. THE ASSOCIATION CONTRACT PROVIDES FOR AN INITIAL 3-YEAR EXPLORATION PERIOD, WHICH CAN BE EXTENDED FOR AN ADDITIONAL 3 YEARS. IF GAS IS DISCOVERED IN THE PROCESS, AN ADDITIONAL 4-YEAR PERIOD CAN BE PROVIDED IN ORDER TO FIND A MARKET AND DEVELOP INFRASTRUCTURE. AFTER DISCOVERY OF OIL RESERVES ARE MADE, A 22-YEAR PERIOD IS GRANTED FOR PRODUCTION (30 YEARS IN THE CASE OF GAS). ECOPETROL PARTICIPATES WITH 30 PERCENT OF INVESTMENT DURING THE PRODUCTION PERIOD AND REIMBURSES ITS ASSOCIATE 30 PERCENT OF EXPLORATION COSTS PRIOR TO DISCOVERY. THEN PRODUCTION IS DISTRIBUTED TAKING INTO ACCOUNT THE "R FACTOR," WHICH IS THE RATIO BETWEEN THE ASSOCIATE'S CUMULATIVE REVENUES AND EXPENDITURES, THUS RELATING FOREIGN INVESTORS' SHARE OF REVENUES TO THEIR PRODUCTION COSTS.

THE NEW CONTRACT TERMS WERE PUT INTO PRACTICE IN THE FIRST QUARTER OF 2000. THE GOVERNMENT HOPES TO REMAIN SELF-SUFFICIENT IN PETROLEUM PRODUCTION, AVOIDING THE PROSPECTS OF BECOMING AN IMPORTER BY FINDING NEW RESERVES. THESE CHANGES WILL MUCH ENHANCE THE ATTRACTIVENESS OF COLOMBIA'S OIL INVESTMENT CLIMATE,
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AND IN PARTICULAR INCREASE THE PROFITABILITY OF FIELDS WITH 50 MILLION BARRELS OF RESERVES OR LESS, WHICH REPRESENT APPROXIMATELY 90 PERCENT OF COLOMBIA'S FIELDS. FOR INFORMATION ON OIL-INDUSTRY SECURITY ISSUES, SEE THE SECTION ON "POLITICAL VIOLENCE."

THE FIRST CONTRACT UNDER COLOMBIA'S NEW REGULATION WAS SIGNED IN DECEMBER 1999. A CONSORTIUM OF U.S. WESTERN ATLAS (49%), CANADIAN-VENEZUELAN TECNOPETROL (21%), AND ECOPETROL (30%) WILL EXPLORE IN THE CESAR PROVINCE. U.S. BASED SEVEN SEAS PETROLEUM HAS ASKED ECOPETROL TO DECLARE THE GUADUAS OIL FIELD IN THE MAGDALENA BASIN COMMERCIALLY VIABLE IN ORDER TO BEGIN EXPLORATION

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AND DEVELOPMENT. ECOPETROL TOGETHER WITH BRAZILIAN AND CANADIAN PARTNERS, HAS ANNOUNCED AN IMPORTANT DISCOVERY, THE GUANDO FIELD IN TOLIMA, SOUTH WEST OF BOGOTA.

INSURANCE: COLOMBIA PERMITS 100 PERCENT FOREIGN OWNERSHIP OF INSURANCE FIRM SUBSIDIARIES. IT DOES NOT, HOWEVER, ALLOW FOREIGN INSURANCE COMPANIES TO ESTABLISH LOCAL BRANCH OFFICES. FIRMS MUST HAVE A COMMERCIAL PRESENCE TO SELL POLICIES OTHER THAN THOSE FOR INTERNATIONAL TRAVEL OR REINSURANCE. IN ADDITION, COLOMBIA DENIES MARKET ACCESS TO FOREIGN MARINE INSURERS.

LEGAL: PROVISION OF LEGAL SERVICES IS LIMITED TO THOSE FIRMS LICENSED UNDER COLOMBIAN LAW. FOREIGN LAW FIRMS ARE THEREFORE PROHIBITED FROM HAVING AN INDEPENDENT, COMMERCIAL PRESENCE (I.E., A REGISTERED PLACE OF BUSINESS, A BRANCH, OR AN AGENT) IN COLOMBIA. BY FORMING JOINT VENTURES WITH LOCAL LAW FIRMS, FOREIGN FIRMS ARE ABLE TO OPERATE IN COLOMBIA UNDER THE AUSPICES OF THEIR LOCAL PARTNERS' LICENSES.

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TELECOMMUNICATIONS: COLOMBIA ENDED ITS LONG DISTANCE AND INTERNATIONAL SERVICE MONOPOLY IN NOVEMBER 1998. THE OPENING OF THE SECTOR TO NEW COMPETITORS AND TO FOREIGN INVESTMENT HAS RESULTED IN LOWER PRICES FOR USERS OF TELECOMMUNICATION SERVICES AND NEW SERVICES SUCH AS DATA AND IMAGE TRANSMISSION. THE OPENING PROCESS HAS NOT ENDED. PROMISING NEW TECHNOLOGIES WILL SOON BE INTRODUCED (PERSONAL COMMUNICATION SERVICES, PCS, AND DIGITAL TELEVISION FOR EXAMPLE), AND THE PRIVATIZATION OF THE BOGOTA TELEPHONE COMPANY, ETB, IS BEING SOUGHT. HOWEVER, THE GOVERNMENT CONTINUES TO LIMIT FOREIGN OWNERSHIP OF TELECOMMUNICATION COMPANIES TO 70 PERCENT. IN THE WTO NEGOTIATIONS ON BASIC TELECOMMUNICATION SERVICES, COLOMBIA MADE FAIRLY LIBERAL COMMITMENTS ON MOST BASIC TELECOMMUNICATIONS SERVICES AND ADOPTED THE WTO REFERENCE PAPER. HOWEVER, COLOMBIA SPECIFICALLY PROHIBITED "CALLBACK" SERVICES AND EXCLUDED FIXED AND MOBILE SATELLITE SYSTEMS. CURRENTLY FOREIGN INVESTMENT IS ALLOWED IN TELECOMMUNICATIONS FIRMS, BUT AN ECONOMIC NEEDS TEST DETERMINES MARKET ACCESS AND NATIONAL TREATMENT FOR CELLULAR, PCS, LONG-DISTANCE, AND INTERNATIONAL SERVICES. COLOMBIA DID NOT SIGN THE WTO INFORMATION TECHNOLOGY AGREEMENT.

INVESTMENT SCREENING: INVESTMENT SCREENING HAS BEEN LARGELY ELIMINATED, AND THE MECHANISMS THAT STILL EXIST ARE GENERALLY

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ROUTINE AND NON-DISCRIMINATORY. REGULATIONS GRANT NATIONAL TREATMENT TO FOREIGN DIRECT INVESTORS AND PERMIT 100 PERCENT FOREIGN OWNERSHIP IN MOST SECTORS OF THE COLOMBIAN ECONOMY, EXCEPT IN NATIONAL DEFENSE AND SECURITY, AND TOXIC, HAZARDOUS, OR RADIOACTIVE PRODUCTS. AS MENTIONED EARLIER, HOWEVER, SPECIFIC SECTORS STILL REQUIRE A CONCESSION AGREEMENT FROM THE APPROPRIATE COLOMBIAN GOVERNMENT ENTITY. IN ANY EVENT, THE COLOMBIAN ECONOMIC AND SOCIAL POLICY COUNCIL (CONPES), MAY IDENTIFY SECTORS OF ECONOMIC ACTIVITY IN WHICH THE GOVERNMENT MAY DETERMINE WHETHER IT WILL ADMIT FOREIGN CAPITAL PARTICIPATION.

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FOREIGN INVESTMENTS MUST BE REGISTERED WITH THE CENTRAL BANK'S FOREIGN EXCHANGE OFFICE WITHIN THREE MONTHS OF THE TRANSACTION DATE TO ASSURE THE RIGHT TO REPATRIATE PROFITS AND REMITTANCES AND TO ACCESS OFFICIAL FOREIGN EXCHANGE. ALL FOREIGN INVESTORS, LIKE DOMESTIC INVESTORS, MUST OBTAIN A LICENSE FROM THE SUPERINTENDENCY OF COMPANIES AND REGISTER WITH THE LOCAL CHAMBER OF COMMERCE.

GENERALLY, FOREIGN INVESTORS MAY PARTICIPATE IN PRIVATIZATION OF STATE-OWNED ENTERPRISES WITHOUT RESTRICTIONS. COLOMBIA IMPOSES THE SAME INVESTMENT RESTRICTIONS ON FOREIGN INVESTORS THAT IT DOES ON NATIONAL INVESTORS.

MANY FOREIGN INVESTORS FIND CERTAIN PROVISIONS OF COLOMBIAN LAW BURDENSOME. FOR EXAMPLE, A COMMERCIAL PRESENCE IN THE COUNTRY (DEFINED AS A REGISTERED PLACE OF BUSINESS, A BRANCH, OR AN

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AGENT) IS A STANDARD REQUIREMENT FOR CONDUCTING BUSINESS IN COLOMBIA.

FOREIGN INVESTORS CAN PARTICIPATE WITHOUT DISCRIMINATION IN GOVERNMENT-SUBSIDIZED RESEARCH PROGRAMS. IN FACT, MOST COLOMBIAN GOVERNMENT RESEARCH HAS BEEN DONE IN CONNECTION WITH FOREIGN INSTITUTIONS.

OTHER FACTORS WHICH MAY IMPACT INVESTMENT:

ON DECEMBER 30, 1999, THE COLOMBIAN GOVERNMENT PASSED LAW 145 WHICH PROVIDES THE GOVERNMENT WITH THE POWER OF "ECONOMIC INTERVENTION" IN THE OPERATION OF ALL COMPANIES (PUBLIC, PRIVATE, LOCAL, OR FOREIGN) PERMANENTLY LOCATED IN COLOMBIA. THIS LAW PROMOTES SOLUTIONS ALONG THE LINES OF U.S. STYLE "CHAPTER 11" WORKOUTS FOR COMPANIES WITH FINANCIAL PROBLEMS WHICH FACE POSSIBLE LIQUIDATION OR BANKRUPTCY. RESTRUCTURING AGREEMENTS IMPOSE STRICT REGULATIONS ON COMPANIES (E.G., FINANCIAL OPERATIONS UNRELATED TO THE COMPANY'S ACTIVITY MAY NOT BE PERFORMED WITHOUT PREVIOUS AUTHORIZATION FROM ALL THE PARTIES INVOLVED IN THE TRANSACTIONS).

ANDEAN COMMUNITY CET: THE ANDEAN COMMUNITY (COLOMBIA, ECUADOR, PERU AND VENEZUELA) HAVE AGREED TO REACH THE HIGHEST PHASE OF A COMMON MARKET (FREE FLOW OF GOODS, SERVICES, CAPITAL AND PERSONS) BY THE YEAR 2005. A CUSTOMS INTEGRATION PROCESS IS ESSENTIAL TOWARDS THAT END. AIMING AT FULL CUSTOMS INTEGRATION, COLOMBIA AND ITS ANDEAN COMMUNITY PARTNERS ESTABLISHED A COMMON EXTERNAL TARIFF (CET), WHICH TOOK EFFECT FEBRUARY 1, 1995. THE CET HAS A FOUR-TIER STRUCTURE, WITH FIVE, 10, 15 AND 20 PERCENT TARIFF

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LEVELS. COLOMBIA'S AVERAGE OFFICIAL TARIFF IS APPROXIMATELY 11
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PERCENT AD VALOREM. MOST NON-AGRICULTURAL PRODUCTS AND SERVICES
(BOTH LOCALLY PRODUCED AND IMPORTED) ARE ALSO SUBJECT TO A 15
PERCENT VALUE ADDED TAX, WHICH WAS REDUCED FROM 16 PERCENT IN
NOVEMBER 1999.

COLOMBIA HAS ADOPTED A HARMONIZED AUTOMOTIVE POLICY WITH
VENEZUELA AND ECUADOR, WHICH WENT INTO EFFECT ON JANUARY 1, 1994.
AUTOMOTIVE PARTS AND ACCESSORIES, AND MOTOR VEHICLES IMPORTED
FROM ANY OF THE THREE SIGNATORY COUNTRIES HAVE A ZERO IMPORT
DUTY, WHILE THOSE IMPORTED FROM THIRD COUNTRIES ARE COVERED WITH
COMMON EXTERNAL TARIFF (CET) RATES OF 35 PERCENT FOR PASSENGER
VEHICLES, 15 PERCENT FOR MASS TRANSIT AND CARGO VEHICLES AND
THREE PERCENT FOR COMPLETELY KNOCKED DOWN (CKD) PARTS. A NEW
ANDEAN AUTO REGIME WAS ADOPTED IN NOVEMBER 1999, IN WHICH COMMON
EXTERNAL TARIFF RATES REMAINED AS ABOVE, BUT REGIONAL CONTENT
REQUIREMENTS WHICH WERE INCLUDED IN THE INITIAL POLICY WERE
INCREASED FROM THE CURRENT AVERAGE OF 23 PERCENT TO A MAXIMUM OF
34 PERCENT BY THE YEAR 2009.

ON JULY 2, 1996, THE ANDEAN COMMUNITY MEMBERS ADOPTED A COMMON
REGIME FOR ACCESS TO GENETIC AND BIOLOGICAL RESOURCES, WITH THE
PROFESSED GOAL OF PROMOTING THE CONSERVATION, DEVELOPMENT, AND
SUSTAINABLE USE OF BIOLOGICAL AND GENETIC DIVERSITY.

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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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TO SECSTATE WASHDC 6158
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC

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AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
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OTHER REGIONAL TRADE AGREEMENTS: THE ANDEAN TRADE PREFERENCES ACT (ATPA) PROVIDES FOR THE DUTY-FREE ENTRY OF 6,000 PRODUCT CATEGORIES FROM COLOMBIA INTO THE U.S. PRODUCTS THAT ARE STATUTORILY EXCLUDED FROM ATPA INCLUDE, BUT ARE NOT LIMITED TO, TEXTILE AND APPAREL ARTICLES, SOME FOOTWEAR, RUM, AND PETROLEUM PRODUCTS. COLOMBIA HAS A COMPREHENSIVE FREE TRADE AGREEMENT WITH MEXICO AND VENEZUELA (THE G-3 AGREEMENT), IN EFFECT SINCE JANUARY 1, 1995, UNDER WHICH MOST TARIFFS ARE TO BE REDUCED TO ZERO BY THE YEAR 2007. COLOMBIA ALSO HAS A PARTIAL FREE TRADE AGREEMENT WITH CHILE.

ALL OF COLOMBIA'S BILATERAL AND REGIONAL TRADE AGREEMENTS ARE BASED ON LATIN AMERICAN INTEGRATION ASSOCIATION (ALADI) REGULATIONS AND PROCEDURES. AGREEMENTS NEGOTIATED WITH CUBA, PANAMA, CENTRAL AMERICA, AND CARICOM HAVE EITHER HAD LIMITED EFFECT OR HAVE NOT BEEN FULLY IMPLEMENTED. COLOMBIA, ALONG WITH THE OTHER MEMBERS OF THE ANDEAN COMMUNITY, IS CURRENTLY TRYING TO NEGOTIATE A FREE TRADE ARRANGEMENT WITH THE COUNTRIES OF MERCOSUR, BUT PROGRESS HAS BEEN SLOW.

AGREEMENTS WITH ALADI MEMBERS ARE MOSTLY IMPLEMENTED THROUGH THE ANDEAN COMMUNITY AND THE G-3 MEMBER COUNTRIES. WITH THE REST OF ALADI, BILATERAL AGREEMENTS HAVE BEEN SIGNED WITH CHILE AND ARGENTINA, PLUS PARTIAL AGREEMENTS WITH BRAZIL, PARAGUAY AND URUGUAY. PARTIAL BILATERAL AGREEMENTS HAVE ALSO BEEN SIGNED WITH CENTRAL AMERICAN COMMON MARKET (CACM) COUNTRIES (COSTA RICA,

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GUATEMALA, EL SALVADOR, AND HONDURAS) AS WELL AS WITH CARICOM AND
CUBA. COLOMBIA HAS SIGNED OTHER BILATERAL AGREEMENTS TO
STIMULATE TRADE AND ENSURE MOST FAVORED NATION TREATMENT WITH
HUNGARY, CZECH REPUBLIC, RUMANIA, RUSSIA, MALAYSIA, INDONESIA,
INDIA, CHINA, SOUTH KOREA, ALGERIA, KENYA, EGYPT, MOROCCO,
ISRAEL, AND IVORY COAST. COLOMBIA HAS BEEN AN ACTIVE PARTICIPANT
IN THE FREE TRADE AREA OF THE AMERICAS (FTAA) NEGOTIATIONS.

RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

THE 1991 COLOMBIAN CONSTITUTION EXPLICITLY PROTECTS INDIVIDUAL
RIGHTS AGAINST THE ACTIONS OF THE STATE AND UPHOLDS THE RIGHT TO
PRIVATE PROPERTY. PREVIOUSLY, A CLAUSE IN CONSTITUTIONAL ARTICLE
58 EXPRESSLY ALLOWED EXPROPRIATION WITHOUT COMPENSATION, BUT IN
JUNE 1999 THE COLOMBIAN CONGRESS AMENDED TO CONSTITUTION TO
REMOVE THAT CLAUSE (SEE "EXPROPRIATION AND COMPENSATION" BELOW
FOR MORE DETAILS).

PROTECTION OF PROPERTY RIGHTS

COLOMBIA REMAINS ON THE SPECIAL 301 "WATCH LIST" FOR NOT
PROVIDING EFFECTIVE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS
(IPR). IT HAS BEEN ON THE "WATCH LIST" EVERY YEAR SINCE 1991.
AN OUT-OF-CYCLE REVIEW IN SEPTEMBER 1999 PLACED COLOMBIA ONCE
AGAIN IN THE SAME WATCH LIST CATEGORY. COLOMBIA HAS RATIFIED,
BUT NOT YET FULLY IMPLEMENTED, THE PROVISIONS OF THE WORLD TRADE
ORGANIZATION (WTO) AGREEMENT ON TRADE-RELATED ASPECTS OF

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INTELLECTUAL PROPERTY (TRIPS). USTR HAS NOTED THAT MUSIC PIRACY
HAS WORSENERED IN COLOMBIA SINCE 1998, WITH COUNTERFEIT CDS
FLOODING THE LOCAL MARKET.

PATENTS AND TRADEMARKS: TWO ANDEAN COMMUNITY DECISIONS ON THE
PROTECTION OF PATENTS AND TRADEMARKS HAVE BEEN IN EFFECT IN
COLOMBIA SINCE JANUARY 1, 1994. THE DECISIONS ARE COMPREHENSIVE
AND SIGNIFICANTLY IMPROVE STANDARDS OF PROTECTION OF INTELLECTUAL
PROPERTY IN THE ANDEAN COMMUNITY COUNTRIES. FOR EXAMPLE, THEY
PROVIDE A 20-YEAR TERM OF PROTECTION FOR PATENTS AND REVERSE THE
BURDEN OF PROOF IN CASES OF ALLEGED PATENT INFRINGEMENT. THE
PROVISIONS COVERING PROTECTION OF TRADE SECRETS AND NEW PLANT
VARIETIES ARE GENERALLY CONSISTENT WITH WORLD-CLASS STANDARDS FOR
PROTECTING INTELLECTUAL PROPERTY RIGHTS. HOWEVER, THE DECISIONS

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STILL CONTAIN DEFICIENCIES. SOME OF THESE DEFICIENCIES INCLUDE
 OVERLY BROAD COMPULSORY LICENSING PROVISIONS; RESTRICTIONS ON
 BIOTECHNOLOGY INVENTIONS; DENIAL OF PHARMACEUTICAL PATENT
 PROTECTION FOR PATENTED PRODUCTS LISTED ON THE WORLD HEALTH
 ORGANIZATION'S MODEL LIST OF ESSENTIAL DRUGS, AS WELL AS FOR
 PHARMACEUTICAL PRODUCTS WITH A MULTIPLE OR DUAL USE "ACTIVE
 PRINCIPAL;" LACK OF TRANSITIONAL ("PIPELINE") PROTECTION; AND
 LACK OF PROTECTION AGAINST PARALLEL IMPORTS. IN JUNE 1996,
 COLOMBIA RATIFIED THE PARIS CONVENTION FOR THE PROTECTION OF

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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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 TO SECSTATE WASHDC 6159
 DEPT OF TREASURY WASHDC
 DEPT OF COMMERCE WASHDC
 CIMS NTDB WASHDC
 AMEMBASSY CARACAS
 AMEMBASSY QUITO
 AMEMBASSY LA PAZ
 AMEMBASSY LIMA
 AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
 STATE PASS TO USTR
 STATE PASS TO OPIC
 COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
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INDUSTRIAL PROPERTY, WHICH WENT INTO EFFECT SEPTEMBER 1996.

THE ANDEAN COMMUNITY DECISION ON PATENT AND TRADEMARK PROTECTION ALSO PROVIDES FOR PROTECTION OF CONFIDENTIAL INDUSTRIAL INFORMATION. PROTECTED PROPERTY INCLUDES THAT WHICH IS SECRET (NOT GENERALLY KNOWN OR EASILY ACCESSIBLE TO THOSE WHO USUALLY HANDLE SUCH INFORMATION) AND HAS AN EFFECTIVE COMMERCIAL VALUE OR A POTENTIAL COMMERCIAL VALUE AS A SECRET. THE DECISION REQUIRES THAT THE PERSON WISHING TO MAINTAIN THE SECRECY OF A PRODUCT TAKE REASONABLE STEPS TO ENSURE THAT SECRECY.

THE MINISTERS OF FOREIGN TRADE OF THE ANDEAN COUNTRIES ARE PLANNING TO ADOPT A NEW PATENT AND TRADEMARK REGIME, REFORMING DECISION 344 OF THE ANDEAN COMMUNITY. THE PHARMACEUTICAL INDUSTRY, WHICH HAS BEEN PARTICULARLY AFFECTED BY INADEQUATE PROTECTION OF CONFIDENTIAL DATA, HAS REQUESTED DECISION 344 BE AMENDED TO ENSURE COMPLIANCE WITH WTO REQUIREMENTS.

COLOMBIA'S TRADEMARK PROTECTION REQUIRES REGISTRATION AND ACTIVE USE OF THE TRADEMARK TO PREVENT PARALLEL IMPORTS. TRADEMARK REGISTRATIONS HAVE A TEN-YEAR DURATION AND MAY BE RENEWED FOR SUCCESSIVE TEN-YEAR PERIODS. PRIORITY RIGHTS ARE GRANTED TO THE FIRST APPLICATION FOR A TRADEMARK WITHIN THE ANDEAN COMMUNITY OR IN ANY COUNTRY GRANTING RECIPROCAL RIGHTS. COLOMBIA IS A MEMBER OF THE INTER-AMERICAN CONVENTION FOR TRADEMARK AND COMMERCIAL PROTECTION.

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ACCORDING TO U.S. INDUSTRY, COLOMBIA MAINTAINS A POLICY OF PROMOTING UNBRANDED PHARMACEUTICALS AT THE EXPENSE OF THE BRANDS TYPICALLY PRODUCED BY MULTINATIONAL COMPANIES. LAW 100 ESTABLISHES THAT THE COLOMBIAN PEOPLE WILL BE COVERED UNDER A BASIC HEALTH PLAN BY EITHER SOCIAL SECURITY OR HEALTH PROMOTING ENTITIES. THE PLAN SPECIFIES THAT PHARMACEUTICAL PRODUCTS BE SUPPLIED BASED ON A LIST OF ONLY 307 GENERIC SUBSTANCES, THEREBY THREATENING THE BRAND-NAME PHARMACEUTICAL MARKET IN COLOMBIA. ALTHOUGH THIS LAW REMAINS IN EFFECT, LOCAL SOURCES CLAIM IT IS NOT ADHERED TO IN PRACTICE.

THE SUPERINTENDENCY OF INDUSTRY AND COMMERCE ACTS AS THE LOCAL PATENT AND TRADEMARK OFFICE IN COLOMBIA. THIS AGENCY SUFFERS GREATLY FROM INADEQUATE FINANCING AND A BACKLOG OF TRADEMARK AND PATENT APPLICATIONS EXCEEDING 25,000. ENFORCEMENT IN THE TRADEMARK AREA REMAINS GENERALLY WEAK.

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COPYRIGHTS: PRESIDENT PASTRANA IN FEBRUARY 1999 ISSUED A DIRECTIVE TO ALL GOVERNMENT AND EDUCATIONAL INSTITUTIONS TO RESPECT COPYRIGHTS AND AVOID THE USE OR PURCHASE OF PIRATED PRINTED WORKS, SOFTWARE AND AUDIO/VIDEO MATERIAL. THE PRESIDENTIAL DIRECTIVE EMPHASIZED THAT POLICE WOULD ACT AGAINST ANY COPYRIGHT INFRINGEMENTS, AND WAS WELL RECEIVED BY U.S. PUBLIC AND PRIVATE SECTORS. A NEW INTELLECTUAL PROPERTY RIGHTS (IPR) INVESTIGATIVE UNIT WAS CREATED WITHIN THE COLOMBIAN GOVERNMENT'S OFFICE OF THE PROSECUTOR GENERAL. THE IPR UNIT STARTED OPERATING IN NOVEMBER 1999, AND IT WAS FORMED IN PART TO ADDRESS U.S. CONCERNS ABOUT THE COLOMBIAN GOVERNMENT'S COMMITMENT TO REDUCING COPYRIGHT VIOLATIONS IN THE AREAS OF TELEVISION PROGRAMMING, RECORDS, BOOKS AND SOFTWARE. THE UNIT HAS OPENED 140 CASES AGAINST PIRATE TV OPERATORS AS WELL AS A CASE AGAINST SEVERAL

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TELECOMMUNICATIONS COMPANIES ACCUSED OF OFFERING ILLEGAL
"CALLBACK" SERVICES.

A MAJOR ISSUE HAS BEEN THE NEED FOR THE COLOMBIAN GOVERNMENT TO LICENSE LEGITIMATE PAY TELEVISION OPERATORS AND TO PURSUE PIRATE OPERATORS. AS OF JUNE 2000, THE COLOMBIAN GOVERNMENT HAS SHOWN PROGRESS IN CABLE TELEVISION LICENSING. COLOMBIA'S TELEVISION BROADCAST LAW INCREASED LEGAL PROTECTION FOR ALL COPYRIGHTED PROGRAMMING BY REGULATING SATELLITE DISHES, AND ENFORCEMENT HAS RECENTLY BEGUN THROUGH A LICENSING PROCESS. IN 1999, THE COLOMBIAN NATIONAL TELEVISION COMMISSION (CNTV) MADE EFFORTS TO LICENSE LEGITIMATE PAY TELEVISION OPERATORS AND TO PURSUE PIRATE OPERATORS. BY THE END OF 1999, 82 CONCESSIONS HAD BEEN GRANTED TO OPERATORS IN MUNICIPALITIES WITH LESS THAN 100,000 INHABITANTS. FORTY-SIX ADDITIONAL OPERATORS RECEIVED LICENSES TO OPERATE IN 25 LARGER CITIES. ON NOVEMBER 26, 1999, THE LAST OF THREE BIDDING PROCESSES TOOK PLACE IN WHICH 10 ADDITIONAL OPERATORS IN COLOMBIA'S LARGEST CITIES WERE GRANTED LICENSES. THE MAJORITY OF THESE NEW LICENSE-HOLDERS WERE REQUIRED TO BE FULLY COMPLIANT, ROYALTY-PAYING ENTITIES BY JUNE 2000, ALTHOUGH SOME HAVE BEEN GRANTED EXTENSIONS. EFFORTS TO PURSUE PIRATE OPERATORS RESULTED IN INITIATING INVESTIGATIONS OF 282 SUSPECTED PIRATE OPERATORS, EIGHT OF WHICH HAVE SO FAR INCURRED SANCTIONS.

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INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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 DEPT OF TREASURY WASHDC
 DEPT OF COMMERCE WASHDC
 CIMS NTDB WASHDC
 AMEMBASSY CARACAS
 AMEMBASSY QUITO
 AMEMBASSY LA PAZ
 AMEMBASSY LIMA
 AMEMBASSY PANAMA

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 STATE PASS TO USTR
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ANDEAN COMMUNITY DECISION 351 ON THE PROTECTION OF COPYRIGHTS HAS BEEN IN EFFECT IN COLOMBIA SINCE JANUARY 1, 1994, AND IT PROVIDES A GENERALLY BERN-CONSISTENT SYSTEM. COLOMBIA ALSO HAS A MODERN COPYRIGHT LAW: LAW 44 OF 1993. THE LAW EXTENDS PROTECTION FOR COMPUTER SOFTWARE TO 50 YEARS, BUT DOES NOT CLASSIFY IT AS A LITERARY WORK. LAW 44 AND COLOMBIA'S CIVIL CODE INCLUDE SOME PROVISIONS FOR IPR ENFORCEMENT, WHICH HAVE BEEN USED TO COMBAT INFRINGEMENT AND PROTECT RIGHTS. SEMICONDUCTOR LAYOUT DESIGNS ARE NOT PROTECTED UNDER COLOMBIAN LAW. COLOMBIA BELONGS TO BOTH THE BERN AND THE UNIVERSAL COPYRIGHT CONVENTIONS.

COLOMBIA'S 1993 COPYRIGHT LAW SIGNIFICANTLY INCREASED PENALTIES FOR COPYRIGHT INFRINGEMENT, SPECIFICALLY EMPOWERING THE PROSECUTOR GENERAL'S OFFICE TO COMBAT PIRACY. THE MOST RECENT DATA SUGGESTS THAT COUNTERFEIT MERCHANDISE AVAILABLE IN THE

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COLOMBIAN MARKET SIGNIFICANTLY AFFECTS U.S. INDUSTRIES, WHICH CONTINUE TO LOSE SUBSTANTIAL REVENUE FROM PIRACY-\$151 MILLION IN 1997, \$185 MILLION IN 1998, AND \$163 MILLION IN 1999, ACCORDING TO THE INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE (IIPA).

ADEQUACY OF LAWS AND REGULATIONS GOVERNING COMMERCIAL
TRANSACTIONS

COLOMBIA'S CIVIL CODES DEFINE COMMERCIAL ENTITIES' LEGAL RIGHTS
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AND OUTLINE ENFORCEMENT PROCEDURES REGARDING COMMERCIAL
ACTIVITIES. ENFORCEMENT MECHANISMS EXIST, BUT HISTORICALLY THE
JUDICIAL SYSTEM HAS NOT TAKEN AN ACTIVE ROLE IN ADJUDICATING
COMMERCIAL CASES. THE 1991 CONSTITUTION PROVIDED THE JUDICIARY
WITH GREATER ADMINISTRATIVE AND FINANCIAL INDEPENDENCE FROM THE
EXECUTIVE BRANCH, AND COLOMBIAN COURTS HAVE TENDED TO BEHAVE MORE
INDEPENDENTLY AND UNPREDICTABLY EVER SINCE. THE COLOMBIAN
JUDICIAL SYSTEM CONTINUES TO BE CLOGGED AND CUMBERSOME.

MAJOR TAXATION ISSUES

TO ASSUAGE INVESTOR CONCERNS OVER UNEXPECTED CHANGES IN THE TAX
CODE, THE COLOMBIAN CONGRESS PASSED LEGISLATION IN 1995 ("THE
SPECIAL TAX STABILITY REGIME") AUTHORIZING THE GOVERNMENT TO
ENTER INTO CORPORATE CONTRACTS THAT GUARANTEE A FIXED TAX RATE
FOR UP TO TEN YEARS. IN RETURN FOR THIS GUARANTEE, THE COMPANY
PAYS AN ADDITIONAL TWO PERCENTAGE POINTS IN CORPORATE INCOME
TAXES. PRESIDENT PASTRANA HAS PLEDGED TO EVENTUALLY ELIMINATE
THE TWO PERCENT FEE.

REINVESTMENT OF CORPORATE PROFITS IN COLOMBIA FOR A PERIOD OF
FIVE YEARS OR MORE ALLOWS THE TAXPAYER TO AVOID THE OTHERWISE
MANDATORY SEVEN-PERCENT DIVIDEND INCOME WITHHOLDING TAX OR SEVEN-
PERCENT REMITTANCE TAX (DEPENDING ON THE METHOD OF REPATRIATION.)
INCOME DERIVED AS CAPITAL GAINS IS TAXED AT A 35 PERCENT RATE.

IN DECEMBER 1998, THE COLOMBIAN CONGRESS PASSED A MAJOR TAX
REFORM LAW (LAW 488.) INTER ALIA, LAW 488: CREATED AN INCOME TAX
DEDUCTION OF UP TO 125 PERCENT OF DONATIONS MADE TO NON-PROFIT
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ORGANIZATIONS DEDICATED TO THE PROTECTION OF HUMAN RIGHTS;

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LOWERED THE VALUED ADDED TAX (VAT) FROM 16 PERCENT TO 15 PERCENT EFFECTIVE NOVEMBER 1, 1999; INCREASED THE "STAMP TAX" PAID ON ALL WRITTEN CONTRACTS FROM ONE TO ONE AND HALF PERCENT OF THE CONTRACT'S TOTAL VALUE; AND ESTABLISHED A UNIFIED TAX REGIME (UTR) FOR SMALL TAXPAYERS WHICH AIMS TO FACILITATE TAX COLLECTION FROM ENTREPRENEURS AND SMALL BUSINESSES, BY ALLOWING THEM TO ASSESS THEIR OWN TAX LIABILITY IN A PRESUMPTIVE MANNER. THE UTR SHOULD BE ESPECIALLY USEFUL TO NON-SALARIED OR CONTRACT EXPATRIATES ON ASSIGNMENT IN COLOMBIA WHO WOULD OTHERWISE BE SUBJECT TO CUMBERSOME TAX REQUIREMENTS.

A "WAR TAX" ON THE EXPORT VALUE OF CRUDE OIL, GAS, COAL AND NICKEL FROM FIELDS OR DEPOSITS THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1994 WILL REMAIN IN FORCE UNTIL 2000. THE WAR TAX WILL VARY FROM 0.6 PERCENT TO 4 PERCENT DEPENDING ON THE PRODUCT. AS WELL, THE COLOMBIAN GOVERNMENT REQUIRES THAT ALL CORPORATIONS INVEST 0.6% OF THEIR LIQUID PATRIMONY IN "PEACE BONDS." THESE FREELY NEGOTIABLE BONDS HAVE A RETURN EQUAL TO 110% OF THE OFFICIAL INFLATION RATE, AND A SEVEN-YEAR TERM. THE PEACE BOND PROGRAM IS TO PROVIDE FINANCING FOR THE GOVERNMENT'S PEACE PROCESS AND WILL REMAIN IN EFFECT UNTIL MAY 2001.

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	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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 DEPT OF TREASURY WASHDC
 DEPT OF COMMERCE WASHDC
 CIMS NTDB WASHDC
 AMEMBASSY CARACAS
 AMEMBASSY QUITO
 AMEMBASSY LA PAZ
 AMEMBASSY LIMA
 AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
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COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
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IN NOVEMBER 1998, THE GOVERNMENT DECREED AN ECONOMIC EMERGENCY IN THE COUNTRY TO ADDRESS THE CRISIS IN THE FINANCIAL SYSTEM. ONE OF THE MEASURES DECREED WAS A 0.2% EMERGENCY TAX ON FINANCIAL TRANSACTIONS, TO BE USED TO RECAPITALIZE PUBLIC BANKS AND FINANCIAL COOPERATIVES, WHICH WERE THE MOST AFFECTED BY THE CRISIS. PROCEEDS FROM THIS TAX WERE LATER ALSO DEDICATED TO RECONSTRUCTION OF COLOMBIA'S COFFEE-GROWING REGION, WHICH WAS HIT BY AN EARTHQUAKE IN JANUARY 1999.

IN MAY 2000, THE COLOMBIAN GOVERNMENT SUBMITTED TO CONGRESS A TAX REFORM BILL, WHICH AIMS AT IMPROVING TAX COLLECTION, REDUCING THE INCOME TAX FROM 35% TO 32%, WHILE EXTENDING THE 0.2% TAX ON FINANCIAL TRANSACTIONS UNTIL YEAR 2002.

PERFORMANCE REQUIREMENTS/INCENTIVES

INCENTIVES: THE GOVERNMENT PROVIDES A NUMBER OF INCENTIVES FOR EXPORTERS AND IMPORTERS OF CERTAIN CAPITAL GOODS. THE MOST WIDELY UTILIZED SUCH PROGRAMS ARE THE PLAN VALLEJO AND THE CERT. THE PLAN VALLEJO PROVIDES FOR THE DUTY-FREE ENTRY OF CAPITAL GOODS AND MATERIALS TO BE USED IN PRODUCTION OF EXPORT GOODS. IN ORDER TO QUALIFY FOR THIS TAX EXEMPTION IN THE CASE OF CAPITAL GOODS, THE PRODUCER MUST SHOW THAT AT LEAST 70 PERCENT OF THE PRODUCT PRODUCED BY THE NEWLY ACQUIRED CAPITAL GOOD IS EXPORTED. IN THE CASE OF RAW OR PARTIALLY FINISHED MATERIALS, THE PRODUCER MUST

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EXPORT A VALUE EQUAL TO 1.5 TIMES THAT OF THE VALUE OF THE IMPORTED MATERIALS AS DETERMINED BY COLOMBIAN GOVERNMENT CUSTOMS.

LAW 48 OF 1983 CREATED THE TAX-REIMBURSEMENT CERTIFICATE (CERT).

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THIS CERTIFICATE IS A FORM OF TAX INCENTIVE ISSUED TO COLOMBIAN EXPORTERS; HAS A TWO-YEAR MATURITY, IT IS FREELY NEGOTIABLE AND CAN BE SOLD IN THE SECONDARY MARKET. IT CAN BE USED TO PAY TAXES ON INCOME, CUSTOMS DUTIES AND CERTAIN OTHER INDIRECT AND DIRECT TAXES ON EXPORTS. THE CERT PROGRAM IS INTENDED TO PROMOTE NON-TRADITIONAL EXPORT PRODUCTS (COFFEE, PETROLEUM, AND PETROLEUM BY-PRODUCTS ARE SPECIFICALLY EXCLUDED). THE AMOUNT OF THE CERT IS CALCULATED AS A FLAT PERCENTAGE OF THE VALUE OF GOODS EXPORTED, AND VARIES BY PRODUCT AND DESTINATION. IN ACCORDANCE WITH COLOMBIA'S COMMITMENT TO PHASE OUT CERTS BY 2002, TO COMPLY WITH WTO REQUIREMENTS, CERTS' FACE VALUE RATES WERE DECREASED, AND CURRENTLY RANGE FROM ZERO PERCENT TO 4.5 PERCENT. IT SHOULD BE NOTED THAT CERT MONEY IS NOT AVAILABLE FOR EXPORTS TO THE U.S. OR ANDEAN COMMUNITY COUNTRIES, OR FOR PRODUCTION ORIGINATING IN FREE TRADE ZONES.

EXPORT CREDIT: THE FOREIGN TRADE BANK (BANCOLDEX) PROVIDES FUNDS FOR WORKING CAPITAL AND EQUIPMENT PURCHASES DEDICATED TO THE PRODUCTION OF EXPORTED GOODS. BANCOLDEX ALSO PROVIDES DISCOUNT LOAN RATES TO FOREIGN IMPORTERS OF COLOMBIAN GOODS.

PREFERENTIAL EXPORT/IMPORT POLICIES: PREFERENTIAL EXPORT/IMPORT POLICIES EXIST, PRIMARILY IN THE AGRICULTURAL SECTOR. COLOMBIA MAINTAINS MINIMUM PREFERENCE PRICES FOR BASIC AGRICULTURAL COMMODITIES, WHICH ARE SUPPORTED BY FLEXIBLE TARIFFS ON IMPORTS. THIS "PRICE BAND" SYSTEM, WHICH IS INTENDED TO PROTECT DOMESTIC FARMERS FROM FOREIGN COMPETITION, IS A VARIABLE IMPORT DUTY

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SYSTEM APPLIED ON AGRICULTURAL PRODUCTS, BASED ON ANDEAN COMMUNITY BOARD-DETERMINED CEILING, FLOOR, AND REFERENCE PRICES, ADJUSTED TO A CIF BASIS. IN PRACTICE, THIS FORCES FOREIGN EXPORTERS TO RAISE PRICES TO DOMESTIC SUPPORT LEVELS.

IMPORT LICENSES: COLOMBIA HAS TWO TYPES OF IMPORT LICENSES. THE MOST COMMON IS A STANDARD IMPORT REGISTRATION FORM KNOWN LOCALLY AS "REGISTRO DE IMPORTACION," WHICH ALL IMPORTERS MUST COMPLETE. THESE FORMS ARE FOR RECORD KEEPING/STATISTICAL PURPOSES AND ARE AVAILABLE AT THE MINISTRY OF FOREIGN TRADE. THE OTHER LICENSE APPLIES TO CLOSELY MONITORED, SENSITIVE PRODUCTS SUCH AS PRECURSOR CHEMICALS AND WEAPONRY. THE MAJORITY OF "USED" GOODS, SUCH AS PERSONAL COMPUTERS, CARS, TIRES, AND CLOTHING, ARE EFFECTIVELY PROHIBITED FROM IMPORT, AND THOSE THAT ARE ALLOWED (E.G., USED MEDICAL EQUIPMENT) ARE SUBJECT TO PRIOR LICENSING. MOST AGRICULTURAL PRODUCTS ARE ISSUED AUTOMATIC IMPORT LICENSES, BUT WHEN THE MINISTRY OF AGRICULTURE DETERMINES THAT DOMESTIC PRODUCTION COULD SUFFER, IMPORTS CAN BE PROHIBITED OVER INDEFINITE PERIODS OF TIME. SINCE 1994, THE MINISTRY OF

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AGRICULTURE MUST APPROVE IMPORT LICENSES FOR MANY AGRICULTURAL
ITEMS THAT COMPETE WITH DOMESTICALLY PRODUCED COMMODITIES.

PROMOTION: THE QUASI-PUBLIC ORGANIZATION PROEXPORT ENGAGES IN A

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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6162
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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VARIETY OF MARKETING AND PROMOTIONAL ACTIVITIES IN SUPPORT OF
COLOMBIAN EXPORTS. IT PROVIDES INFORMATION ON MARKET ACCESS AND

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BUSINESS OPPORTUNITIES AS WELL AS ORGANIZES INTERNATIONAL TRADE SHOWS AND MISSIONS. PROEXPORT HAS OFFICES IN OVER 18 MAJOR FOREIGN CITIES, MANY LOCATED IN THE UNITED STATES. OVER THE LAST YEARS, PROEXPORT HAS BEEN MAKING AN EFFORT TO DIVERSIFY COLOMBIAN EXPORTS, WHICH HAVE BEEN TRADITIONALLY CONCENTRATED IN ONLY A FEW PRODUCTS, NAMELY COFFEE, PETROLEUM, AND FLOWERS.

ACCESS TO MARKETS: IN ACCORDANCE WITH ANDEAN COMMUNITY DECISION 291 OF 1991, FOREIGN INVESTORS NOW HAVE THE SAME ACCESS TO ANDEAN MARKETS AS DOMESTIC INVESTORS.

PERFORMANCE REQUIREMENTS: LABOR LAWS REQUIRE THAT, ABSENT AN EXEMPTION, AT LEAST 90 PERCENT OF A COMPANY'S GENERAL WORK FORCE AND 80 PERCENT OF MANAGEMENT MUST BE COLOMBIAN NATIONALS. LOCAL CONTENT REQUIREMENTS EXIST IN THE AUTOMOTIVE ASSEMBLY SECTOR AS OUTLINED IN DECREE 440 OF MARCH 1995 AND RESOLUTION 323 OF NOVEMBER 1999 OF THE CARTAGENA AGREEMENT, COVERING COLOMBIA, VENEZUELA AND ECUADOR. AS OF JUNE, 2000, A MINIMUM OF 23 PERCENT OF LOCAL CONTENT (PROGRAMMED TO INCREASE TO 34 PERCENT BY 2009) IS REQUIRED FOR PASSENGER VEHICLES CARRYING UP TO 16 PERSONS, AND CARGO VEHICLES CARRYING UP TO 10,000 LBS., TO MEET NATIONAL ORIGIN STANDARDS. FOR ALL OTHER VEHICLES, THE REQUIREMENT IS 17-18 PERCENT. PENALTIES WILL BE ESTABLISHED TO ENFORCE COMPLIANCE WITH THESE PERCENTAGES.

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COLOMBIA CONTINUES TO ASSERT ITS RIGHT TO MAINTAIN AN IMPORT LICENSING MEASURE THAT REQUIRES AGRICULTURAL PROCESSORS IN COLOMBIA TO PURCHASE CERTAIN PERCENTAGES OF LOCALLY PRODUCED AGRICULTURAL PRODUCTS (UNDER WHAT ARE CALLED ABSORPTION AGREEMENTS) IN ORDER TO OBTAIN A LICENSE TO IMPORT SUCH PRODUCTS. THE COLOMBIAN GOVERNMENT CLAIMED THIS TO BE A TRADE-RELATED INVESTMENT MEASURE AND SO NOTIFIED THE WTO; HOWEVER, IT DID SO AFTER THE DEADLINE FOR SUCH NOTIFICATIONS.

AS PART OF THE DE-MONOPOLIZATION OF THE GOVERNMENT-OWNED TELEVISION NETWORK, COLOMBIA PASSED THE TELEVISION BROADCAST LAW (LAW 182/95, EFFECTIVE JANUARY 1995) WHICH INCREASED PROTECTION FOR ALL COPYRIGHTED PROGRAMMING BY REGULATING SATELLITE DISHES AND PERMITTING PRIVATE TELEVISION BROADCASTERS TO COMPETE WITH THE GOVERNMENT-OWNED BROADCASTER. FOREIGN DIRECT INVESTMENT IN THE COLOMBIAN MOTION PICTURE INDUSTRY IS PERMITTED, BUT LIMITED TO 15 PERCENT OF THE TOTAL CAPITAL OF LOCAL TV PROGRAMMING PRODUCTION COMPANIES. THE LAW INCREASED RESTRICTIONS ON FOREIGN CONTENT IN BROADCASTING, AND INCLUDED A COMPLICATED, BURDENSOME SYSTEM OF SUB-QUOTAS FOR DIFFERENT HOURS OF THE DAY; NATIONAL TELEVISION BROADCASTERS MUST TRANSMIT AT LEAST 70 PERCENT LOCALLY

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PRODUCED PROGRAMMING DURING PRIME TIME AND 40 PERCENT DURING OTHER TIMES. REGIONAL CHANNELS AND LOCAL STATIONS MUST TRANSMIT AT LEAST 50 PERCENT LOCALLY PRODUCED PROGRAMMING. RETRANSMISSIONS OF LOCAL PRODUCTION ARE CALCULATED TO FULFILL ONLY PART OF THE NATIONAL CONTENT REQUIREMENT. FOREIGN TALENT MAY BE USED IN LOCALLY PRODUCED PROGRAMMING, BUT LIMITS ARE SET BY THE QUASI-INDEPENDENT NATIONAL TELEVISION COMMISSION (CNTV).

APPROPRIATE VISAS OR OTHER PERMITS MUST BE OBTAINED FOR RESIDENTS AND FOR VISITORS CONDUCTING BUSINESS OVER EXTENDED PERIODS, BUT
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THE COLOMBIAN GOVERNMENT DOES NOT IMPOSE UNDULY BURDENSOME VISA, RESIDENCE OR WORK PERMIT REQUIREMENTS.

REGULATORY SYSTEM

AS IS THE CASE WITH MANY DEVELOPING COUNTRIES, COLOMBIA SUFFERS FROM A RELATIVELY HIGH INDUSTRIAL CONCENTRATION IN A FEW LARGE CONGLOMERATES, A LACK OF EFFECTIVE ANTITRUST LAWS AND LONG-TERM CREDIT, AND UNDERDEVELOPED STOCK MARKETS NOT YET ABLE TO GENERATE GROWTH THROUGH EQUITY FINANCING.

PROCUREMENT: LAW 80 (1993) IS COLOMBIA'S GUIDING GOVERNMENT PROCUREMENT AND CONTRACTING LAW. IT GRANTS EQUAL TREATMENT TO FOREIGN COMPANIES ON A RECIPROCAL BASIS AND ELIMINATES THE 20 PERCENT SURCHARGE PREVIOUSLY ADDED TO FOREIGN BIDS. IN IMPLEMENTING LAW 80, THE GOVERNMENT INSTITUTED A REQUIREMENT THAT COMPANIES WITHOUT LOCAL HEADQUARTERS MUST CERTIFY GOVERNMENT PROCUREMENT RECIPROCITY IN THE HOME COUNTRY. IN JUNE 1995, THE U.S. EMBASSY BEGAN ISSUING CERTIFICATES OF RECIPROCITY, WHICH HAS PROVEN SUCCESSFUL IN MEETING THIS REQUIREMENT. LAW 80 DOES NOT APPLY TO CONTRACTS FOR THE EXPLORATION AND PRODUCTION OF

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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00

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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6163
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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RENEWABLE OR NON-RENEWABLE NATURAL RESOURCES, THEIR
COMMERCIALIZATION, AND THOSE ACTIVITIES PERFORMED BY STATE
COMPANIES INVOLVED IN THESE SECTORS; NOR DOES IT APPLY TO
CONTRACTS FOR TELECOMMUNICATIONS, RADIO, MAIL AND COURIER,
TELEVISION, AND LONG-DISTANCE TELEPHONE SERVICES. OTHER LAWS
GOVERN THESE CONTRACTS, AND SUPPLIERS TO THESE SECTORS ARE
SELECTED THROUGH SPECIAL LICENSING PROCEDURES. COLOMBIA IS AN
"OBSERVER" OF, BUT NOT A SIGNATORY TO, THE WTO AGREEMENT ON
GOVERNMENT PROCUREMENT (ALSO SEE CHAPER IV -MARKETING U.S.
PRODUCTS & SERVICES). SEVERAL U.S. COMPANIES HAVE EXPRESSED
CONCERN ABOUT A PERCEIVED LACK OF TRANSPARENCY IN BIDDING
PROCESSES.

AS OF JUNE 2000, THE COLOMBIAN GOVERNMENT HAS DECIDED TO SUBMIT
TO CONGRESS A BILL REFORMING LAW 80 IN THE NEXT LEGISLATURE. THE
BILL WOULD PROHIBIT DONORS TO POLITICAL CAMPAIGNS FROM
PARTICIPATING IN CONTRACTS OR BIDDING PROCESSES OFFERED BY THEIR
BENEFICIARIES. IT WOULD REQUIRE THAT PRIVATIZED COMPANIES
MAINTAIN THE SAME REGIME (SAME RULES AND REGULATIONS) AS PUBLIC

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COMPANIES. THE BILL WOULD ALSO ELIMINATE NO-BID CONTRACTS AND WOULD TREAT FOREIGN AND DOMESTIC BIDDERS EQUALLY. THIS MEANS THAT FOREIGN BIDDERS IN PUBLIC CONTRACTS WOULD RECEIVE THE SAME TREATMENT AS IN THEIR OWN COUNTRIES, AND CONTRACTING PARTIES WOULD NOT BE ALLOWED TO DEMAND TRANSFER OF GOODS AND SERVICES FROM ABROAD.

BUREAUCRATIC PROCEDURES: PRESIDENT PASTRANA ISSUED A SERIES OF
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DECREES TO ELIMINATE BURDENSOME BUREAUCRATIC PROCEDURES IN JUNE 1999. THE DECREES REFORMED VARIOUS FORMAL PROCEDURES WITH THE AIM OF REDUCING PAPERWORK AND IMPROVING CUSTOMER SERVICE. FOR EXAMPLE, ONE DECREE SIGNIFICANTLY REDUCED THE NUMBER OF STEPS REQUIRED TO OBTAIN COPIES OF PUBLIC RECORDS; ANOTHER REDUCED THE TIME REQUIRED TO RECEIVE AN ENVIRONMENTAL PERMIT FROM 120 DAYS TO 60 DAYS.

CORRUPTION

CORRUPTION IS A MAJOR SUBJECT OF PUBLIC DEBATE. SEVERAL CURRENT AND FORMER MEMBERS OF CONGRESS ARE INCARCERATED OR UNDER INVESTIGATION FOR ACCEPTING CAMPAIGN FUNDS AND OTHER BENEFITS FROM DRUG TRAFFICKERS. A SCANDAL OVER THE OPERATIONS OF THE HOUSE OF REPRESENTATIVES LED TO THE RESIGNATION OF THE PRESIDENT OF THE HOUSE AND OTHER LEADERS. WEAK LAW ENFORCEMENT AND BORDER CONTROLS PROVIDE MUCH OPPORTUNITY FOR CONTRABAND SMUGGLERS; IN 1999, THE COLOMBIAN GOVERNMENT ESTIMATED THAT DRUG TRAFFICKERS SMUGGLED \$5 BILLION ANNUALLY IN CONTRABAND INTO THE COUNTRY AS PART OF THEIR MONEY LAUNDERING OPERATIONS. CORRUPTION IN THE NATIONAL TAX AND CUSTOMS DIRECTORATE (DIAN) ITSELF IS AN IMPEDIMENT TO THE COLOMBIAN GOVERNMENT'S FIGHT AGAINST CONTRABAND AND RELATED CRIMES, ALTHOUGH CURRENT LEADERSHIP HAS MADE A SIGNIFICANT EFFORT TO IMPROVE THE SITUATION. THE U.S. CUSTOMS SERVICE IS WORKING WITH DIAN TO IMPROVE THE LATTER'S EFFICACY IN CURBING CONTRABAND AND CORRUPTION.

THE NATIONAL PLANNING DEPARTMENT (DNP) ESTIMATES THAT COLOMBIA LOSES APPROXIMATELY \$500 MILLION ANNUALLY DUE TO CORRUPTION. THE
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COMPTROLLER GENERAL'S OFFICE REPORTED ON MARCH 30, 2000, THAT 316 CASES OF CORRUPTION AND MISMANAGEMENT IN PUBLIC ENTITIES RESULTED IN FINANCIAL LOSSES OF APPROXIMATELY \$600 MILLION DURING 1999. THE ANTI-CORRUPTION OFFICE OF THE PRESIDENCY ESTIMATES THAT

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LOSSES DUE TO CORRUPTION AMOUNT TO \$1 BILLION EACH YEAR. THAT OFFICE RECEIVED 2,263 COMPLAINTS OF CORRUPTION BETWEEN NOVEMBER 1999 AND JUNE 2000, OF WHICH 673 RESULTED IN FORMAL INVESTIGATIONS, AND 368 RESULTED IN FORMAL CHARGES AGAINST PUBLIC OFFICIALS. ADDITIONALLY, THE IMF ESTIMATES TAX EVASION IN COLOMBIA AT APPROXIMATELY \$500 MILLION. EACH YEAR THE GOVERNMENT MAKES PROVISIONS OF APPROXIMATELY \$600 MILLION TO PAY FOR LEGAL COMPLAINTS AGAINST THE STATE, USUALLY FOR IRREGULARITIES BY PUBLIC OFFICIALS.

ENFORCEMENT: PROBLEMS CONTINUE TO ARISE NOT ONLY AT THE LAW ENFORCEMENT LEVEL, BUT ALSO AT THE JUDICIAL LEVEL, WHERE COMPLAINTS ABOUT LACK OF RESPECT FOR PRESERVATION OF EVIDENCE AND PERJURY HAVE BEEN MADE.

UNDER THE COLOMBIAN CONSTITUTION, THE COMPTROLLER, WHO IS INDEPENDENT OF THE EXECUTIVE BRANCH, IS CHARGED WITH ROOTING OUT PUBLIC CORRUPTION. HOWEVER, THE PROSECUTOR GENERAL'S OFFICE (FISCALIA) IS THE ONLY ENTITY WITH AUTHORITY TO PRESS CRIMINAL

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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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 DEPT OF COMMERCE WASHDC
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CHARGES AND PROSECUTE.

TITLE III OF THE COLOMBIAN PENAL CODE ADDRESSES CRIMES AGAINST PUBLIC ADMINISTRATION COMMITTED BY PUBLIC OFFICIALS (E.G., EMBEZZLEMENT, EXTORTION, BRIBERY, ILLICIT CONTRACTS, INFLUENCE, ILLICIT ENRICHMENT, DERELICTION OF OFFICIAL DUTY, AND MISUSE OF AUTHORITY). LAW 190 (THE "ANTI-CORRUPTION STATUTE") AMENDS TITLE III TO INCLUDE MONEY LAUNDERING AS A CRIME AND ADDS THREE TO 15 YEAR PRISON TERMS FOR VIOLATIONS OF THE STATUTE. LAW 200 SETS FORTH A SINGLE DISCIPLINARY CODE FOR PUBLIC OFFICIALS/EMPLOYEES. COUPLED WITH LAW 190, LAW 200 ESTABLISHES NORMS FOR THE PERFORMANCE OF PUBLIC SERVANTS AND A RANGE OF ADMINISTRATIVE AND CRIMINAL SANCTIONS FOR NON-COMPLIANCE.

TO INTENSIFY THE ANTI-CORRUPTION FIGHT, PRESIDENT PASTRANA ENACTED SEVERAL DECREES IN JUNE 1999. THE DECREES FOCUS ON STRENGTHENING AND STREAMLINING THE AGENCIES ENGAGED IN ANTI-CORRUPTION ACTIVITIES AND MAKING THE DIRECTORS OF THESE INSTITUTIONS PRESIDENTIAL APPOINTEES. AS WELL, THE DECREES CREATE A PUBLIC PATRIMONY DIRECTORATE CHARGED WITH ADMINISTERING AND PROTECTING MAJOR STATE INVESTMENTS. SEVERAL DECREES AIM TO COUNTER THE ESTIMATED 30 PERCENT CUSTOMS/TAX AVOIDANCE RATE. DIAN IS TO ACQUIRE A SPECIAL ADMINISTRATIVE UNIT UNDER THE MINISTRY OF FINANCE WITH ITS OWN RESOURCES, AS OPPOSED TO ITS CURRENT DEPENDENT STATUS WITHIN THE MINISTRY. ADDITIONALLY, PROCEDURES ARE SUPPOSED TO BE ENACTED MAKING IT EASIER TO FIRE CORRUPT OFFICIALS.

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AS OF JUNE 2000, 19 PUBLIC OFFICIALS HAVE BEEN TEMPORARILY SUSPENDED AND 13 HAVE BEEN DISMISSED DUE TO CRIMINAL CHARGES AGAINST THEM FOR ALLEGATIONS OF CORRUPTION. THE SOCIAL SECURITY INSTITUTE (ISS) IS THE PUBLIC ENTITY WITH THE LARGEST NUMBER OF CRIMINAL PROCESSES PENDING RESOLUTION-CURRENTLY 91-FOLLOWED BY

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REGIONAL CORPORATIONS WITH 78, ELECTRIC COMPANIES WITH 70, THE STATE-OWNED LONG DISTANCE TELEPHONE PROVIDER (TELECOM) WITH 56, THE FAMILY WELFARE INSTITUTE (ICBF) WITH 51, THE NATIONAL TRAINING SERVICE (SENA) WITH 34, THE AGRICULTURAL BANK WITH 24, THE CIVIL AVIATION AUTHORITY (AEROCIVIL) WITH 23, AND A STATE PENSION FUND (CAJANAL) WITH 18. OTHER ENTITIES WITH PENDING PROCESSES ARE THE CITY PLANNING AUTHORITY (INURBE), THE ROAD BUILDING AUTHORITY (INVIAS), THE STATE COMMERCIAL BANK ("BANCO DEL ESTADO"), THE SPORTS AUTHORITY (COLDEPORTES), AND THE PRISON AUTHORITY (INPEC). ADDITIONALLY, TWO CASES IN THE MINISTRY OF TRANSPORTATION (DRAGACOL AND FONCOLPUERTOS) CONSTITUTE THE GREATEST SCANDALS IN RECENT YEARS, AS THEY ENTAIL MISUSE OF AS MUCH AS \$500 MILLION.

LABOR

ACCORDING TO THE LABOR MINISTRY, OFFICIAL UNEMPLOYMENT STOOD AT 20.2 PERCENT AS OF MARCH 2000 (THE HIGHEST UNEMPLOYMENT RATE IN COLOMBIAN RECORDED HISTORY). EXPERTS BELIEVE MUCH OF NATIONAL UNEMPLOYMENT IS STRUCTURAL, OR DUE TO A MISMATCH BETWEEN THE SKILLS OF COLOMBIAN EMPLOYEES AND THE EDUCATIONAL/SKILL REQUIREMENTS OF THE COLOMBIAN MARKET-A GAP WHICH HAS WIDENED SUBSTANTIALLY SINCE 1991 APERTURA. AN ADDITIONAL 20 PERCENT OR
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SO OF THE 15 MILLION-STRONG COLOMBIAN LABOR FORCE IS CONSIDERED TO BE UNDER-EMPLOYED, OFTEN WORKING IN THE INFORMAL SECTOR. ACCORDING TO A 1997 LABOR CENSUS UPDATE, APPROXIMATELY FIVE PERCENT OF THE COLOMBIAN WORK FORCE IS ORGANIZED INTO OVER 2,432 UNIONS, BUT THE HIGH LEVEL OF UNEMPLOYMENT AND WEAK UNION ORGANIZATION, HAVE LIMITED WORKERS' BARGAINING POWER IN ALL SECTORS. THE STANDARD WORKWEEK IS SIX DAYS/48 HOURS; THE LEGAL MINIMUM WAGE IN 2000 IS 260,100 PESOS (ABOUT \$120/MONTH), PLUS BENEFITS. ROUGHLY ONE-FOURTH OF THE WORK FORCE EARNS THE MINIMUM WAGE.

THE COLOMBIAN CONSTITUTION PRESCRIBES EQUAL RIGHTS FOR WOMEN WORKERS, THE RIGHT TO ORGANIZE AND TO STRIKE (EXCEPT FOR THE MILITARY, POLICE AND ESSENTIAL PUBLIC EMPLOYEES), THE RIGHT TO ORGANIZE AND ENGAGE IN COLLECTIVE BARGAINING, UNIVERSAL EDUCATION, AND EXPANDED SOCIAL INSURANCE COVERAGE. THE CONSTITUTION ALSO CALLS FOR THE INCORPORATION OF RATIFIED INTERNATIONAL LABOR CONVENTIONS INTO THE LABOR CODE. LABOR REGULATIONS ARE VIRTUALLY UNRECOGNIZED IN THE LARGE INFORMAL SECTOR OF THE ECONOMY. AS OF AUGUST 1999, THE MINISTRY OF LABOR HAD APPROXIMATELY 260 LABOR INSPECTORS TO COVER 1,075

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MUNICIPALITIES AND MORE THAN 300,000 COMPANIES. APPROXIMATELY 30 OF THOSE INSPECTORS WERE REMOVED FROM THEIR POSITIONS IN THE

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AMEMBASSY LA PAZ
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FIRST QUARTER OF 2000 AS A RESULT OF THE GOC'S RESTRUCTURING PROGRAM.

A NUMBER OF TRADE-UNION LEADERS HAVE BEEN MURDERED, AND THREATS,

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HARASSMENT, AND ACTS OF VIOLENCE AGAINST TRADE-UNION OFFICIALS ABOUND. THIS SITUATION HAS LED TO CASES BEING LODGED AGAINST THE GOVERNMENT OF COLOMBIA BY THE LATIN AMERICAN CENTRAL OF WORKERS (CLAT), THE WORLD FEDERATION OF TRADE UNIONS (WFTU), THE INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS (ICFTU) AND THE INTERNATIONAL LABOR ORGANIZATION (ILO). IN SEPTEMBER 1998, THE CLAT REPORTED THAT AT LEAST 1,200 COLOMBIAN UNION MEMBERS AND LEADERS HAD BEEN KILLED BETWEEN 1991 AND 1998. THE ILO CLAIMS THAT MORE THAN 300 COLOMBIAN UNION MEMBERS WERE KILLED BETWEEN 1995 AND 1998. THE ILO AND THE COLOMBIAN GOVERNMENT HAVE BEEN IN CONSULTATION ON THIS SUBJECT.

LABOR PROBLEMS CONTINUED TO PLAGUE VARIOUS STATE-OWNED COMPANIES, PARTICULARLY IN THE TELECOMMUNICATIONS AND OIL SECTORS, AS THEY OPENED UP TO COMPETITION. STRIKES HAVE OCCURRED REGULARLY SINCE 1995 IN THE STATE OIL GIANT ECOPETROL, PUBLIC FINANCIAL ENTITIES, AND THE ELECTRICITY, TRANSPORTATION, HEALTH AND EDUCATION SECTORS.

THE SAMPER GOVERNMENT KEPT LABOR UNREST IN CHECK BY REPEATEDLY ACCEDING TO WORKER DEMANDS EVEN WHEN IT MEANT INFLATIONARY WAGE INCREASES. THE PASTRANA ADMINISTRATION, IN CONTRAST, HAS MET LABOR UNREST WITH FIRMNESS AND IN MOST CASES RESOLVED DISPUTES

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WITHOUT MAJOR NEW EXPENDITURES. THIS HELD TRUE EVEN AS THE DEEPENING RECESSION IN COLOMBIA, AND GOVERNMENT PLANS FOR FISCAL RETRENCHMENT, PROVOKED INCREASING LEVELS OF LABOR DISAFFECTION THROUGH LATE 1998 AND INTO 1999. IN LATE 1999 AND EARLY 2000, THE PASTRANA ADMINISTRATION FACED SEVERAL ROADBLOCKS BY PROTESTING PEASANTS AND RURAL WORKERS, ON MAIN ROADS SUCH AS THE ONE CONNECTING BOGOTA AND MEDELLIN AND THAT BETWEEN BOGOTA AND THE CARIBBEAN COAST. OTHER ROADBLOCKS WERE BUILT BY PROTESTORS IN SARAVERA (ARAUCA DEPARTMENT) AND CERRITO (SANTANDER DEPARTMENT). ANOTHER WAS MOUNTED IN THE SOUTHERN BOLIVAR DEPARTMENT TO PROTEST AGAINST CREATION OF A POSSIBLE ZONE FOR PEACE CONVERSATIONS WITH THE ELN GUERRILLAS IN THAT REGION. IN THIS PERIOD, THE MAIN LABOR UNIONS ORGANIZED SEVERAL STRIKES, SUCH AS THE ONE BY WORKERS OF POPULAR AND BCH BANKS IN NOVEMBER 1999. IN DECEMBER 1999, OTHER STRIKES BY WORKERS IN THE HEALTH SECTOR, AND PUBLIC SCHOOL TEACHERS AFFECTED THE LABOR CLIMATE IN THE COUNTRY. A BRIEF NATIONAL STRIKE BY PUBLIC WORKERS OCCURRED IN MARCH 2000. ALSO IN MARCH, A STRIKE BY RETAILERS IN LA GUAJIRA DEPARTMENT PROTESTED AGAINST THE GOVERNMENT'S DECISION TO CONTROL CONTRABAND IN THE REGION, AFFECTED COAL EXPORTS FROM THE MAIN MINES LOCATED IN LA GUAJIRA FOR SEVERAL WEEKS.

IN JUNE 1999, THE GOVERNMENT BROKERED AN AGREEMENT, AFTER FOUR

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MONTHS OF NEGOTIATIONS, BETWEEN ECOPETROL AND USO, THE POWERFUL OIL WORKERS UNION. THE AGREEMENT GRANTED WORKER RAISES SLIGHTLY ABOVE EXPECTED 2000 INFLATION. USO AND ECOPETROL REACHED A NEW COLLECTIVE BARGAINING AGREEMENT IN MAY 1999. SUCH AGREEMENTS ARE SIGNED EVERY TWO YEARS.

LAW 100 OF 1993, WHICH REFORMED THE SOCIAL SECURITY SYSTEM, CONTINUES TO HAVE A MAJOR IMPACT ON COLOMBIAN EMPLOYERS AND
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 WORKERS. THE LAW RAISED LABOR COSTS FOR EMPLOYERS, SO THAT TOTAL COSTS, INCLUDING PARAFISCAL, MEDICAL INSURANCE AND OTHER MANDATED PAYMENTS, REACHED 53 PERCENT OVER WAGES. THESE HIGH COSTS, AND THE OVERALL INFLEXIBILITY BUILT INTO THE LABOR CODE, ARE PARTLY RESPONSIBLE FOR THE CURRENT RECORD UNEMPLOYMENT. WHILE MINISTERIAL EFFORTS TO RELAX THE LABOR CODE ARE UNDERWAY, AN INCREASING NUMBER OF COLOMBIAN EMPLOYERS ARE SEEKING TO CUT COSTS BY HIRING LABOR FROM ASSOCIATIVE WORK COOPERATIVES. UNDER COLOMBIA'S 1988 LAW ON COOPERATIVES, THIS LABOR IS NOT SUBJECT TO ALL THE PENSION, PARAFISCAL AND OTHER PAYMENTS REQUIRED IN STANDARD HIRING. UP TO TWO MILLION COLOMBIANS ARE REPORTEDLY NOW AFFILIATED WITH SUCH COOPERATIVES.

RESTRUCTURING COLOMBIA'S TROUBLED PENSION SYSTEM REMAINS A MAJOR CHALLENGE. A FIRST STEP WAS TAKEN ON DECEMBER 28, 1999, WHEN CONGRESS PASSED LAW 549, WHICH CREATED AND REGULATED A NATIONAL PENSION FUND FOR TERRITORIAL ENTITIES (FONPET). THE MINISTRY OF FINANCE ESTABLISHED ACCOUNTS IN PUBLIC OR PRIVATE PENSION FUNDS, TRUST COMPANIES OR INSURANCE COMPANIES, FOR EACH OF THE REGIONS' FONPET DEPOSITS. THE COLOMBIAN REGIONS MAY NOT WITHDRAW THE FUNDS DEPOSITED IN THEIR ACCOUNTS UNTIL 100 PERCENT OF THEIR PENSION LIABILITIES ARE COVERED. THIS AIMS AT ENSURING THAT FONPET SERVES THE PURPOSE OF FINANCING THE PENSION-RELATED PART

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	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
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OF THE FISCAL DEFICIT. HOWEVER, FULL FUNDING TO MEET THIS
OBLIGATION HAS NOT YET BEEN FOUND.

CAPITAL MARKETS AND PORTFOLIO INVESTMENT

SINCE THE OPENING OF THE COLOMBIAN FINANCIAL SECTOR IN 1991,
GOVERNMENT POLICIES HAVE FACILITATED THE FREE FLOW OF FINANCIAL
RESOURCES TO SUPPORT INDUSTRIAL GROWTH AND DEVELOPMENT. LOCAL
COMPANIES ALSO BENEFIT FROM ACCESS TO FOREIGN FINANCING THROUGH
THE CAPITAL MARKETS.

BANKING AND FINANCE: THE LEGAL AND REGULATORY FRAMEWORK OF THE
COLOMBIAN FINANCIAL SYSTEM IS BASED ON THE PRINCIPLE OF
SPECIALIZED, LEGALLY DISTINCT FINANCIAL SUB-SECTORS. THESE SUB-
SECTORS INCLUDE COMMERCIAL BANKS, SAVINGS AND HOUSING
CORPORATIONS, INVESTMENT BANKS AND COMMERCIAL FINANCE COMPANIES.
OWNERSHIP REMAINS OLIGOPOLISTIC; ONE GROUP CONTROLS MORE THAN A
QUARTER OF COLOMBIA'S TOTAL FINANCIAL SECTOR. THE NUMBER OF
FINANCIAL INSTITUTIONS INCREASED CONSIDERABLY BETWEEN 1990 AND

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1995, GOING FROM 94 UP TO 201 INSTITUTIONS DURING THAT PERIOD. THE NUMBER OF INSTITUTIONS BEGAN TO DECREASE SINCE 1997 DUE TO MERGERS AND ACQUISITIONS IN THE SECTOR. AS OF DECEMBER 1999, THE TOTAL NUMBER OF FINANCIAL INSTITUTIONS HAD DECREASED TO 133. THE GOVERNMENT IS TO MERGE AND/OR EVENTUALLY SELL MOST STATE-OWNED BANKS. THE GOVERNMENT'S PROFESSED GOAL IS TO BE LEFT OWNING ONLY

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THE STATE AGRICULTURAL BANK (BANCO AGRARIO). BANK SALE PROCEEDS ARE TO GO INTO SHORING UP COLOMBIA'S FDIC-EQUIVALENT, FOGAFIN.

THE FINANCIAL SECTOR REGIME WAS REFORMED IN 1999. LAW 510 PASSED BY CONGRESS IN JUNE 1999 RESTRUCTURED THE SECTOR, THE BANKING SUPERINTENDENCY ESTABLISHED DEMANDING REQUIREMENTS IN PORTFOLIO RISK QUALIFICATION, AND THE CONSTITUTIONAL COURT PRESSED THE GOVERNMENT TOWARDS IMPLEMENTING A NEW LAW FOR HOUSEHOLD FINANCING (SEE ABOVE, LAW 546/99).

THROUGHOUT 1999, THE COLOMBIAN FINANCIAL SECTOR HAD TO FACE A SERIOUS ECONOMIC RECESSION AND RESULTING FINANCIAL DIFFICULTIES, NOTABLY A SEVERE "CREDIT CRUNCH." FINANCIAL ENTITIES WERE NOT EAGER TO PROVIDE NEW CREDIT IN A HIGHER RISK SITUATION, AND CUSTOMERS WERE RELUCTANT TO UNDERTAKE MAJOR NEW CONSUMPTION OR INVESTMENT DECISIONS. BY YEAR-END FINANCIAL INSTITUTIONS HAD REGISTERED LOSSES OF APPROXIMATELY USD 1.4 BILLION, USD 258 MILLION MORE THAN THE LOSSES REGISTERED IN 1998. PUBLIC BANKS WERE PARTICULARLY AFFECTED BY THE CRISIS WITH LOSSES OF APPROXIMATELY USD 982 MILLION. SINCE COLOMBIA'S BANKING CRISIS OF THE EARLY 1980S, OFFICIAL OVERSIGHT HAS IMPROVED. IN 1995, COLOMBIA'S BANKING SUPERINTENDENCY SET FORTH REVISED CAPITALIZATION REQUIREMENTS BASED ON THE FRAMEWORK DEVELOPED BY THE COMMITTEE ON BANKING REGULATIONS AND SUPERVISORY PRACTICES AT THE BASEL BANK OF INTERNATIONAL SETTLEMENTS. THE FRAMEWORK ESTABLISHED FIVE ASSET CATEGORIES, EACH WITH ITS OWN RISK RATING.

WITH RESPECT TO THE EXCHANGE RATE, UNTIL SEPTEMBER 1999, THE CENTRAL BANK ADMINISTERED A PRICE-BAND SYSTEM WITHIN WHICH THE PRICE OF DOLLARS WAS PERMITTED TO FLUCTUATE WITHIN A SET RANGE. THE BANK INTERVENED IN THE MARKET BY BUYING OR SELLING DOLLARS TO

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KEEP THE DOLLAR'S PRICE IN PESOS WITHIN THE BAND. ON SEPTEMBER 25, 1999, THE CENTRAL BANK ABOLISHED THE FOREIGN EXCHANGE BAND. IT NOW INTERVENES TO CONTROL VOLATILITY BUT DOES NOT ATTEMPT TO DEFEND DESIRED RATES OF EXCHANGE.

IN MAY 2000, THE BOARD OF DIRECTORS OF THE CENTRAL BANK ISSUED

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RESOLUTION NO. 8, AUTHORIZING STOCK BROKERAGE FIRMS TO ACT AS INTERMEDIARIES IN THE FOREIGN EXCHANGE MARKET. THAT MEANS THAT STOCK BROKERAGE COMPANIES ARE NOW AUTHORIZED TO TRADE FOREIGN CURRENCY IN OPERATIONS RELATED TO FOREIGN TRADE OR FOREIGN INVESTMENT.

IN MARCH 1997, THE BANK OF THE REPUBLIC CREATED A RESERVE REQUIREMENT ON ALL FOREIGN LOANS OVER SIX MONTHS, DESIGNED TO REDUCE THE AMOUNT OF FOREIGN PRIVATE DEBT. THIRTY PERCENT OF ALL PROCEEDS FROM FOREIGN LOANS WERE REQUIRED TO BE LEFT ON DEPOSIT WITH THE CENTRAL BANK IN A NON-INTEREST BEARING ACCOUNT FOR 18 MONTHS. SINCE 1998, THE CENTRAL BANK HAS GRADUALLY REMOVED ITS DEPOSIT REQUIREMENTS ON FOREIGN BORROWING. THE DEPOSIT REQUIREMENT WAS REDUCED TO 25 PERCENT IN FEBRUARY 1998, AND WAS AGAIN REDUCED TO TEN PERCENT IN SEPTEMBER 1998, AS A MEANS TO INCREASE LIQUIDITY, LOWER INTEREST RATES AND REDUCE PRESSURES ON THE PRICE OF THE DOLLAR. IN JANUARY 1999, IN AN EFFORT TO

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STIMULATE IMPORTS, THE BANK OF THE REPUBLIC COMPLETELY REMOVED THE DEPOSIT REQUIREMENT FOR IMPORT-RELATED BORROWING WHILE MAINTAINING A 10 PERCENT DEPOSIT REQUIREMENT ON EXPORT-RELATED FOREIGN BORROWING OPERATIONS, WHICH WAS COMPLETELY REMOVED ON APRIL 28, 2000.

IN AUGUST 1999, SEVERAL OF WALL STREET'S PREMIER BOND RATING AGENCIES REVISED THEIR OUTLOOKS ON COLOMBIA TO "NEGATIVE," DOWNGRADING THE COUNTRY'S SOVEREIGN DEBT TO TRIPLE B-. THE AGENCIES CITED COLOMBIA'S FALTERING PEACE PROCESS, INCREASED SECURITY FEARS, AND POOR MACROECONOMIC INDICATORS. IN JUNE 2000, THE FIRM THOMPSON FINANCIAL BANKWATCH, WHICH OPENED AN OFFICE IN COLOMBIA IN 1999, DOWNGRADED THE COUNTRY'S SOVEREIGN DEBT FROM "STABLE" BB+ TO "NEGATIVE" BB-, CITING POLITICAL INSTABILITY AND INCREASING VIOLENCE.

RELATED PARTY TRANSACTIONS: DECREE 663 STIPULATES THAT LOANS TO A FINANCIAL INSTITUTION'S PRINCIPAL OFFICERS, THEIR RELATIVES OR SHAREHOLDERS WITH A FIVE PERCENT OR GREATER STAKE MUST BE UNANIMOUSLY APPROVED BY THE FINANCIAL INSTITUTION'S BOARD OF DIRECTORS. LOANS TO RELATED PARTIES (EXCEPT THOSE MADE TO EMPLOYEES AS PART OF HEALTH, HOUSING, EDUCATION, OR SIMILAR PROGRAMS) MUST NOT BE OFFERED AT TERMS MORE ATTRACTIVE THAN THOSE OFFERED TO NON-RELATED PARTIES. FINANCIAL INSTITUTIONS ARE PROHIBITED FROM MAKING LOANS TO BROKER-DEALER, FIDUCIARY, AND PENSION FUND MANAGEMENT SUBSIDIARIES.

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STOCKS AND BONDS: THE THREE PUBLIC EXCHANGES (BOGOT, MEDELLN, AND OCCIDENTE) REPORTED A TOTAL VOLUME OF APPROXIMATELY \$26 BILLION IN 1999. THE BOGOT EXCHANGE ACCOUNTED FOR 56.9 PERCENT OF THIS VOLUME; THE MEDELLN AND OCCIDENTE (CALI) EXCHANGES FOR 32.4 PERCENT AND 10.7 PERCENT, RESPECTIVELY. TOTAL MARKET CAPITALIZATION OF THE MOST WIDELY TRADED COMPANIES IN 1999 WAS APPROXIMATELY \$15.5 BILLION. THE COLOMBIAN SECURITIES MARKET IS

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SMALL. ALTHOUGH IT ENJOYED HIGH RATES OF GROWTH AFTER THE 1990 REFORMS, IN NOMINAL TERMS, 1999 VOLUME WAS 12.4 PERCENT LOWER THAN IN 1998. IN 1999, TRANSACTIONS OF DEBT-TYPE SECURITIES ACCOUNTED FOR 95.3 PERCENT OF ALL TRANSACTIONS, WITH STOCKS REPRESENTING THE REMAINING 4.7 PERCENT. PRIVATE BONDS MADE UP 13.6 PERCENT OF VOLUME, WHILE PUBLIC BONDS ACCOUNTED FOR ONLY 4.7 PERCENT; 27.3 PERCENT OF TOTAL VOLUME WAS IN CERTIFICATES OF DEPOSIT, 34.3 PERCENT IN TREASURY BILLS (TES), AND THE REMAINING 15.4 PERCENT IN OTHER TYPES OF SECURITIES (SO-CALLED TP'S, TAC'S, CEDULAS HIPOTECARIAS, ETC). THIS IS PRIMARILY DUE TO CAPITAL OUTFLOWS FROM FOREIGN INVESTMENT FUNDS, AND LOW INTEREST RATES DURING MOST OF 1999. THE STOCK MARKET HAS SUFFERED FROM INTERNATIONAL PERCEPTION OF COLOMBIA AS A HIGH-RISK ENVIRONMENT.

BY LAW, COLOMBIAN FINANCIAL ENTITIES MUST COMPLY WITH MINIMUM INVESTMENT REQUIREMENTS IN GOVERNMENT PAPER TO PROMOTE SOCIAL INVESTMENT. FOR EXAMPLE, ALMOST ALL BANKS AND CREDIT INSTITUTIONS ARE MANDATED TO INVEST AT LEAST 2 PERCENT OF THEIR LIABILITIES IN TDAS (AGRICULTURAL DEVELOPMENT BONDS.) ADDITIONALLY, PENSION FUNDS, INSURANCE COMPANIES AND MUTUAL FUNDS HAVE REGULATED INVESTMENT REGIMES IN WHICH GOVERNMENT PAPER IS CLASSIFIED AS "ELIGIBLE SECURITIES." THEREFORE, MUCH OF THE MARKET IS REPRESENTED BY SECURITIES ISSUED OR BACKED BY THE

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GOVERNMENT-APPROXIMATELY 17 PERCENT OF TOTAL TRANSACTIONS IN
1999.

THE SECURITIES MARKET IS REGULATED BY THE SUPERINTENDENCY OF SECURITIES (SUPERVALORES), WHICH ANSWERS TO THE MINISTRY OF FINANCE. SUPERVALORES OVERSEES THE EXCHANGES, REGULATING MARKET INTERMEDIARIES, BROKERS' FEES AND THE FINANCIAL DISCLOSURES OF LISTED COMPANIES. THE SUPERINTENDENCY OF BANKS ASSUMES SOME OF THE FUNCTIONS OF SUPERVALORES WITH REGARDS TO PENSION FUND TRADING.

THE SUPERINTENDENCY OF SECURITIES HAS PROMULGATED REGULATIONS AIMED AT ENSURING TRANSPARENCY AND HONESTY IN THE MARKETPLACE. THESE RULES ADDRESS REGISTRATION OF SHARES, PROCESSING OF ORDERS AND THE BROKER-CLIENT RELATIONSHIP. MOST NOTABLE ARE THE REQUIREMENTS FOR A STANDARDIZED PROSPECTUS, FINANCIAL REPORTS AND ACCOUNTING PROCEDURES. LISTED COMPANIES MUST PRESENT QUARTERLY FINANCIAL DISCLOSURES AND ANNUAL, EXTERNALLY AUDITED FINANCIAL STATEMENTS.

THE EXCHANGES ARE SELF-REGULATING WITHIN THE GUIDELINES SET BY THE SUPERINTENDENCY OF SECURITIES. THEY SET ADMISSION POLICIES, MONITOR TRANSACTIONS, CONDUCT AUDITS OF BROKERAGE ACTIVITIES AND

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ENFORCE RULES THROUGH THEIR DISCIPLINARY BODIES. TYPICALLY,
COMPLAINTS INVOLVE ROUTINE MATTERS SUCH AS FAILURE TO SETTLE A
TRANSACTION WITHIN A FIXED TIME PERIOD. ENFORCEMENT IS LESS
DILIGENT THAN IN THE U.S.

THE INSTITUTIONS RESPONSIBLE FOR POLICING THE EXCHANGES INCLUDE
THE NATIONAL REGISTRY OF STOCKS, THE CENTRAL DEPOSITORY OF STOCKS

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AND THE CENTRALIZED DEPOSITORY OF STOCKS OF COLOMBIA (DECEVAL). THE NATIONAL REGISTRY IS MAINTAINED BY THE SUPERINTENDENCY OF SECURITIES TO ENROLL MARKET INTERMEDIARIES AND LISTED COMPANIES. THE CENTRAL DEPOSITORY AND DECEVAL ENSURE SMOOTH TRANSACTIONS BY PROVIDING A CENTRAL HOLDING PLACE FOR STOCKS.

INSIDER TRADING IS PROHIBITED, BUT THERE IS LITTLE PROTEST OR ACTION WHEN IT OCCURS. SANCTIONS HAVE BEEN RARE.

OWNERSHIP LIMITATIONS: CURRENT LEGISLATION PROHIBITS FOREIGN INVESTMENT FUNDS FROM ACQUIRING MORE THAN TEN PERCENT OF THE OUTSTANDING VOTING SHARES OF ANY COLOMBIAN COMPANY. ANY TRANSACTION RESULTING IN AN INDIVIDUAL OR CORPORATION HOLDING 10 PERCENT OR MORE OF A COMPANY'S CAPITAL STOCK MUST RECEIVE PRIOR AUTHORIZATION FROM THE SUPERINTENDENCY OF SECURITIES, WHICH BASES ITS DECISION ON THE CANDIDATE'S PROFESSIONAL EXPERIENCE AND EDUCATION, FINANCIAL SOLVENCY AND CHARACTER, AND THE PROPOSED TRANSACTION'S LIKELY EFFECT ON THE GENERAL WELFARE. HOWEVER, AS EXPLAINED ABOVE, THE GOVERNMENT OF COLOMBIA APPROVED IN PRINCIPLE ON JUNE 1, 2000 NEW RULES GOVERNING FOREIGN PORTFOLIO INVESTMENT,

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IN WHICH LIMITS ON ACQUISITION OF SHARES ARE TO BE ELIMINATED.
THE NEW DECREE DETAILING THE CHANGES WILL BE ISSUED SOON.

"CROSS-SHAREHOLDING" AND "STABLE SHAREHOLDER" AGREEMENTS ARE NOT USED BY PRIVATE FIRMS TO RESTRICT FOREIGN INVESTMENT THROUGH MERGERS AND ACQUISITIONS. LIKEWISE, PRIVATE FIRMS ARE NOT AUTHORIZED TO ADOPT ARTICLES OF INCORPORATION/ASSOCIATION WHICH LIMIT OR PROHIBIT FOREIGN INVESTMENT, PARTICIPATION, OR CONTROL.

CONVERSION AND TRANSFER POLICIES

NO RESTRICTIONS APPLY TO TRANSFERRING FUNDS ASSOCIATED WITH FOREIGN INVESTMENT. THE ONLY CONDITION IS THAT FOREIGN INVESTMENT INTO COLOMBIA MUST BE REGISTERED WITH THE CENTRAL BANK WITHIN THREE MONTHS OF THE TRANSACTION DATE.

FOREIGN INVESTORS CONSIDER COLOMBIA'S CONVERSION AND TRANSFER POLICIES TO BE AMONG THE MAIN INCENTIVES FOR INVESTMENT. FOR EXAMPLE, THE GOVERNMENT PERMITS FULL REMITTANCE OF ALL NET PROFITS REGARDLESS OF THE TYPE OR AMOUNT OF INVESTMENT (PREVIOUSLY LIMITED TO 100 PERCENT OF THE REGISTERED CAPITAL). AS WELL, THERE ARE NO RESTRICTIONS TO REMITTANCE OF REVENUES GENERATED FROM 1) THE SALE OR CLOSURE OF A BUSINESS, 2) A REDUCTION OF INVESTMENT, OR 3) TRANSFER OF A PORTFOLIO.

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COLOMBIAN LAW AUTHORIZES THE GOVERNMENT TO RESTRICT REMITTANCES IN THE EVENT THAT INTERNATIONAL RESERVES FALL BELOW THREE MONTHS' WORTH OF IMPORTS. RESERVES UNINTERRUPTEDLY HAVE BEEN AT LEAST DOUBLE THAT LEVEL FOR DECADES.

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 EXPROPRIATION AND COMPENSATION

THE 1991 COLOMBIAN CONSTITUTION PERMITS EXPROPRIATION OF PRIVATE PROPERTY IN CASES OF PUBLIC NECESSITY (E.G., FOR A METRO SYSTEM) AND/OR SOCIAL INTEREST (E.G., AGRARIAN REFORM). THE GENERAL PROCEDURE REQUIRES THE LEGISLATURE TO PASS A LAW AUTHORIZING A PROJECT AND THE NECESSARY EXPROPRIATION. AN ADMINISTRATIVE ACT THEN DEFINES THE PROPERTY TO BE EXPROPRIATED. THE GOVERNMENT AND PRIVATE PROPERTY HOLDER NEGOTIATE THE AMOUNT OF INDEMNIFICATION, BASED ON THE PRINCIPLE OF "ADEQUATE AND REASONABLE" COMPENSATION. IF AGREEMENT IS REACHED, THE MATTER ENDS. IF NOT, THE LOCAL GOVERNMENT MUST AUTHORIZE EXPROPRIATION AND SEEK JUDICIAL APPROVAL. IF OBTAINED, THE JUDICIAL DECISION ESTABLISHES THE AMOUNT OF COMPENSATION. COLOMBIA HAS NOT EXPROPRIATED THE PROPERTY OF A FOREIGN INVESTOR IN THE PAST 50 YEARS.

IN JUNE 1999, BOTH CHAMBERS OF THE COLOMBIAN CONGRESS UNANIMOUSLY APPROVED THE REPEAL OF THE CLAUSE IN THE CONSTITUTION'S ARTICLE 58, WHICH HAD THEORETICALLY PROVIDED FOR "EXPROPRIATION WITHOUT INDEMNIFICATION." COLOMBIAN LAW NOW GUARANTEES INDEMNIFICATION

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	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
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CIMS NTDB WASHDC
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AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
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IN EXPROPRIATION CASES.

DISPUTE SETTLEMENT

LAW 315 PERMITS THE INCLUSION OF AN INTERNATIONAL BINDING
ARBITRATION CLAUSE IN CONTRACTS BETWEEN FOREIGN INVESTORS AND
DOMESTIC PARTNERS. THE LAW ALLOWS THE PARTIES TO SET THEIR OWN
ARBITRATION TERMS INCLUDING LOCATION, PROCEDURES, AND THE
NATIONALITY OF RULES AND ARBITERS. IN THE ABSENCE OF AN
ARBITRATION CLAUSE, COLOMBIAN LAW MANDATES THAT THE DISPUTE GO
BEFORE A COLOMBIAN JUDGE FOR SETTLEMENT.

COLOMBIA IS A MEMBER OF THE NEW YORK CONVENTION ON INVESTMENT
DISPUTES, THE INTERNATIONAL CENTER FOR THE SETTLEMENT OF
INVESTMENT DISPUTES (ICSID), AND THE MULTILATERAL INVESTMENT
GUARANTEE AGENCY (MIGA).

DESPITE THESE MEMBERSHIPS AND LAW 315, VARIOUS U.S. COMPANIES
HAVE BEEN BURDENED BY COLOMBIA'S INADEQUATE DISPUTE SETTLEMENT
PROCESS. ONE U.S. COMPANY, FOR EXAMPLE, HAS BEEN PURSUING SINCE
1982 AN INVESTMENT/CONTRACTING CLAIM WITH THE COLOMBIAN
GOVERNMENT RELATED TO THE DISCOVERY OF A TREASURE-LADEN SPANISH
GALLEON OFF THE COAST OF CARTAGENA. AS OF JUNE 2000, THE DISPUTE

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REMAINS BEFORE COLOMBIAN COURTS.

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POLITICAL VIOLENCE

COLOMBIA HAS THREE MAIN INSURGENT GROUPS-THE REVOLUTIONARY ARMED FORCES OF COLOMBIA (FARC), THE NATIONAL LIBERATION ARMY (ELN), AND THE POPULAR LIBERATION ARMY (EPL) - WHOSE COMBINED NUMBERS TOTAL APPROXIMATELY 25,000. PRESIDENT ANDRES PASTRANA CAME TO OFFICE WITH THE PRIME OBJECTIVE OF ACHIEVING AN END TO COLOMBIA'S CIVIL CONFLICT. THE GOVERNMENT OF COLOMBIA AND THE FARC GUERRILLAS ARE IN FORMAL PEACE NEGOTIATIONS, AND THE FARC HAS BEEN GRANTED A DEMILITARIZED ZONE IN EAST-CENTRAL COLOMBIA. FIGHTING, HOWEVER, CONTINUES. THE GOVERNMENT AND THE ELN GUERRILLAS ARE IN PERMANENT CONTACT. HERE TOO, FIGHTING CONTINUES.

THE THREAT OF URBAN NARCOTICS-RELATED VIOLENCE AND TERRORISM IS LESS THAN IN THE LATE 1980'S/EARLY 1990'S, WHEN THE MEDELLIN DRUG CARTEL LED BY PABLO ESCOBAR WAGED A WAR AGAINST ITS RIVALS AND THE COLOMBIAN GOVERNMENT. BY THE END OF 1996, ALMOST ALL THE MAIN MEDELLIN AND CALI DRUG CARTEL KINGPINS WERE EITHER IN JAIL OR DEAD. DRUG-RELATED VIOLENCE CONTINUES TO CONSTITUTE A SERIOUS SECURITY PROBLEM, HOWEVER, ESPECIALLY IN RURAL, COCA-GROWING AREAS. IN THE LAST SEVERAL YEARS BOTH THE GUERRILLAS AND PARAMILITARIES HAVE BECOME INVOLVED IN VARIOUS ASPECTS OF NARCOTICS, PRINCIPALLY THE PROTECTION OF COCA CROPS AND COCAINE PROCESSING LABORATORIES.

THE INSURGENTS (PARTICULARLY THE ELN, BUT INCREASINGLY THE FARC) HAVE TARGETED PETROLEUM INFRASTRUCTURE, PARTICULARLY OCCIDENTAL PETROLEUM'S CANO LIMON-COVENAS PIPELINE. THE GUERRILLAS HAVE THE

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CAPABILITY OF CARRYING OUT ATTACKS ON U.S. OR U.S.-RELATED TARGETS BUT THEIR PRIMARY KIDNAPPING TARGETS REMAIN LOCAL POLITICIANS, WEALTHY COLOMBIAN NATIONALS AND FOREIGN PROFESSIONALS WORKING IN RURAL AREAS. THEY ALSO CONDUCT ROAD BLOCKAGES, HIJACK COMMERCIAL CARGO, AND "TAX" MATERIALS TRANSPORTED THROUGH THEIR AREAS OF INFLUENCE.

GUERRILLA ACTIONS, AND THE STATE'S LIMITED ABILITY TO COMBAT THEM, HAVE PROMPTED DEVELOPMENT OF ILLEGAL PARAMILITARY ORGANIZATIONS ACROSS MUCH OF NORTHERN-AND, INCREASINGLY,

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SOUTHERN-COLOMBIA. PARAMILITARY VIOLENCE, PRIMARILY TARGETING CIVILIANS SUSPECTED OF COLLABORATING WITH THE GUERRILLAS, HAS INCREASED SHARPLY SINCE THE MID-1990S. WHILE PARAMILITARIES HAVE NOT TARGETED U.S. INTERESTS, THEY HAVE CONTRIBUTED TO THE OVERALL INCREASE IN VIOLENCE IN RURAL COLOMBIA AND THREATEN TO EXPAND THEIR OPERATIONS TO URBAN AREAS.

KIDNAPPING BY GUERRILLAS, PARAMILITARIES AND CRIMINAL GANGS IS A MAJOR PROBLEM. INSURGENTS KIDNAP AS MUCH FOR REASONS OF RANSOM AS TO OBTAIN POLITICAL ATTENTION. BETWEEN APRIL AND JUNE 1999, THE ELN GUERRILLAS HIJACKED A DOMESTIC AIRLINER WITH 50 PASSENGERS, TOOK 150 CHURCHGOERS HOSTAGE IN AN UPSCALE CALI NEIGHBORHOOD AND KIDNAPPED SEVERAL SPORTS FISHERMEN IN

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	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
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BARRANQUILLA. THE GUERRILLAS HAVE NOT ONLY KIDNAPPED BUT KILLED U.S. CITIZENS IN RECENT YEARS. THE FARC KIDNAPPED AND LATER MURDERED THREE AMERICAN ENVIRONMENTAL ACTIVISTS IN EARLY 1999 IN ARAUCA DEPARTMENT. THREE AMERICAN CITIZEN MISSIONARIES REMAIN UNACCOUNTED FOR SINCE THEIR SEIZURE BY THE FARC IN JANUARY 1993. RANDOM VIOLENCE AND PETTY CRIME ARE ALSO COMMON. WITH AN OVERALL HOMICIDE RATE TEN TIMES THAT OF THE UNITED STATES, COLOMBIA CONTINUES TO BE LISTED AMONG THE MOST DANGEROUS COUNTRIES IN THE WORLD. FOR ALL THESE REASONS, U.S. DIPLOMATS AND BUSINESSPERSONS RESIDENT IN COLOMBIA ARE AT CONSIDERABLE RISK AND TAKE SUBSTANTIAL PRECAUTIONS.

BILATERAL INVESTMENT TREATIES

THE OBJECTIVES OF A BILATERAL INVESTMENT TREATY (BIT) ARE TO PROTECT U.S. INVESTMENTS ABROAD, TO ENCOURAGE ADOPTION OF MARKET-ORIENTED DOMESTIC POLICIES IN THE FOREIGN COUNTRY, AND TO SUPPORT THE DEVELOPMENT OF INTERNATIONAL LEGAL STANDARDS CONSISTENT WITH THESE OBJECTIVES. BITS PROVIDE INVESTORS WITH SIX BASIC BENEFITS: 1) THE BETTER OF NATIONAL OR MOST-FAVORED NATION TREATMENT; 2) LIMITS ON EXPROPRIATION OF INVESTMENTS, INCLUDING REQUIREMENT FOR PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION; 3) FREE AND TIMELY REPATRIATION OF PROFITS; 4) THE PROHIBITION OF PERFORMANCE REQUIREMENTS; 5) THE RIGHT TO SUBMIT AN INVESTMENT DISPUTE WITH THE TREATY PARTNER'S GOVERNMENT TO INTERNATIONAL

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ARBITRATION; AND 6) THE RIGHT TO EMPLOY TOP MANAGERIAL PERSONNEL REGARDLESS OF NATIONALITY.

THE JUNE 1999 REPEAL OF THE CLAUSE ALLOWING EXPROPRIATION WITHOUT INDEMNIFICATION IN THE COLOMBIAN CONSTITUTION REMOVED THE PRINCIPAL STUMBLING BLOCK TO THE NEGOTIATION OF A U.S.-COLOMBIAN BIT, ALTHOUGH ONE HAS NOT YET BEEN REACHED. THE REFORM ALSO PAVED THE WAY FOR COLOMBIAN RATIFICATION OF BITS PREVIOUSLY NEGOTIATED WITH GREAT BRITAIN, PERU AND CUBA. AS WELL, COLOMBIA IS NOW WELL POSITIONED TO INITIATE OR COMPLETE NEGOTIATIONS WITH SPAIN, FRANCE, CANADA, JAPAN, GERMANY AND CHINA. IN EARLY 2000, COLOMBIA AND CHILE SIGNED AN INVESTMENT PROTECTION AGREEMENT.

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OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) PROVIDES POLITICAL RISK INSURANCE FOR U.S. BUSINESSES AND INVESTMENTS ABROAD. OPIC REVIVED COVERAGE OF U.S. INVESTMENTS IN COLOMBIA IN APRIL 1998, AFTER A TWO-YEAR SHUTDOWN DUE TO COLOMBIA'S "DECERTIFICATION" BY THE U.S. FOR INADEQUATE COUNTERNARCOTICS COOPERATION. SINCE RESTORATION OF ITS COLOMBIAN INSURANCE PROGRAM, OPIC HAS MAINTAINED A PORTFOLIO OF \$914 MILLION IN THE COUNTRY. NEARLY 3,000 JOBS AND ALMOST \$1 BILLION IN GOVERNMENT REVENUE ARE EXPECTED TO RESULT FROM CURRENT OPIC-SUPPORTED PROJECTS. OPIC'S PIPELINE OF PROJECTS INCLUDES 17 PROJECTS WITH A POTENTIAL \$1.7 BILLION INVESTMENT IN COLOMBIA. EXAMPLES OF THE TYPE AND SCALE OF INVESTMENT PROJECTS HANDLED BY OPIC IN COLOMBIA INCLUDE POWER PLANT CONSTRUCTION, NATURAL GAS PIPELINE CONSTRUCTION AND GOLD MINING OPERATIONS. THE MAMONAL PROJECT

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(NOW OWNED BY KMR POWER CORPORATION), A NATURAL GAS-FIRED GENERATION FACILITY BEING BUILT IN CARTAGENA, IS SUPPORTED WITH \$35 MILLION IN OPIC FINANCING AND OVER \$56 MILLION IN POLITICAL RISK INSURANCE. OTHER EXAMPLES OF PROJECTS SUPPORTED BY OPIC IN 1999 ARE TWO CITIBANK PROJECTS ON FINANCIAL AND TELECOMMUNICATION SERVICES WITH OVER \$36 MILLION IN INSURANCE, AND ONE MINING PROJECT BY SECTOR RESOURCES LTD. WITH OVER \$12.9 MILLION IN INSURANCE.

COLOMBIA IS THE SECOND HIGHEST RANKING COUNTRY IN OPIC'S PORTFOLIO FOR INSURANCE AGAINST POLITICAL VIOLENCE. OPIC IS CURRENTLY COMMITTING APPROXIMATELY \$618 MILLION OF INSURANCE FOR U.S. INVESTMENT IN THE COUNTRY AGAINST POLITICAL VIOLENCE. POLITICAL VIOLENCE COVERAGE COMPENSATES FOR PROPERTY AND INCOME LOSSES CAUSED BY VIOLENCE UNDERTAKEN FOR POLITICAL PURPOSES. DECLARED OR UNDECLARED WAR, HOSTILE ACTIONS BY NATIONAL OR INTERNATIONAL FORCES, CIVIL WAR, REVOLUTION, INSURRECTION AND CIVIL STRIFE, ARE ALL EXAMPLES OF POLITICAL VIOLENCE COVERED BY OPIC. OPIC PAYS COMPENSATION FOR TWO TYPES OF LOSSES: BUSINESS INCOME LOSSES AND DAMAGE TO TANGIBLE PROPERTY. AN INVESTOR MAY PURCHASE ONE OR BOTH COVERAGES.

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	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
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CAPITAL OUTFLOW POLICY

COLOMBIA DOES NOT RESTRICT EXPORT OF CAPITAL OR OUTWARD DIRECT INVESTMENT. COLOMBIA'S FOREIGN DIRECT INVESTMENT (FDI) ABROAD REACHED USD 622 MILLION IN 1999-A DECREASE OF 36% FROM 1998, ACCORDING TO CENTRAL BANK FIGURES. NEW INVESTMENT IN VENEZUELA, PERU, AND ECUADOR ACCOUNTED FOR ALMOST 30 PERCENT OF COLOMBIA'S TOTAL INVESTMENT ABROAD.

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FOREIGN DIRECT INVESTMENT STATISTICS & MAJOR FOREIGN INVESTORS

 (SEE ACCOMPANYING APPENDIX, AND TABLES 1-5)

NEW FOREIGN DIRECT INVESTMENT (FDI) DECLINED IN 1999. ACCORDING TO THE COLOMBIAN CENTRAL BANK, NEW 1999 FDI TOTALED APPROXIMATELY \$4 BILLION, REPRESENTING A DROP OF NEARLY \$183 MILLION BELOW THE 1998 FIGURE. THIS DROP IS ATTRIBUTABLE TO SEVERAL FACTORS, INCLUDING POLITICAL UNCERTAINTY, A STEEP DECLINE IN OIL SECTOR RELATED INVESTMENT AND A FALL IN PRIVATIZATION RECEIPTS.

----- APPENDIX -----

A. COUNTRY DATA

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1. POPULATION: 40.7 MILLION
2. POPULATION GROWTH RATE: 1.8%
3. GOVERNMENT: CONSTITUTIONAL DEMOCRACY, BICAMERAL LEGISLATURE, STRONG PRESIDENCY.
4. RELIGION: CATHOLIC (90%)
5. LANGUAGE: SPANISH
6. WORK WEEK: MONDAY-FRIDAY

B. DOMESTIC ECONOMY

IN MILLIONS OF U.S. DOLLARS OR PERCENTAGE CHANGES (E/ESTIMATED;
 P/FORECAST; Y/YEAR-END)

	1998	1999 (E)	2000 (P)
-GDP (CURRENT MILLIONS OF USD)	89,710	85,358	87,918
-GDP REAL GROWTH RATE (%)	0.6	-5.0	3.0
-GDP PER CAPITA (CURRENT DOLLARS)	2,243	2,097	1,983
-GOVERNMENT SPENDING AS % OF GDP	19.5	20.5	19.0
-INFLATION (%)	16.7	9.2	11.0
-UNEMPLOYMENT RATE (URBAN) (%) (Y)	15.6	18.1	18.0
-NET INTERNATIONAL RESERVES (Y)	8,704	8,102	8,600
-AVG. EXCHANGE RATE FOR USD 1.0	1,425.9	1,731	2,049
-DEBT SERVICE/EXPORTS OF GOODS AND SERVICES (%)	22.0	28.0	29.5
-U.S. MILITARY/ECONOMIC AID	N/A	N/A	N/A

NOTE: ALL FIGURES ARE IN U.S. DOLLARS.

SOURCES: CENTRAL BANK, NATIONAL PLANNING DEPARTMENT OF COLOMBIA

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C. TRADE

(USD MILLIONS) (INCLUDING HYDROCARBONS)

	1998	1999 (E)
2000 (P)		
TOTAL COLOMBIAN EXPORTS (FOB)	10,822	11,569
TOTAL COLOMBIAN IMPORTS (CIF)	14,635	10,659
U.S. EXPORTS (CIF)	4,653	3,831
U.S. IMPORTS (FOB)	4,026	5,615

NOTE: ALL FIGURES REFER TO MERCHANDISE TRADE ONLY AND ARE IN U.S. DOLLARS.

SOURCES: DANE, COLOMBIAN FOREIGN TRADE MINISTRY, CENTRAL BANK, AND NATIONAL PLANNING DEPARTMENT

D. FOREIGN INVESTMENT STATISTICS

TABLE 1

FOREIGN INVESTMENT IN COLOMBIA BY COUNTRY
(THOUSANDS OF US DOLLARS)

UNCLASSIFIED

UNCLASSIFIED PTQ4970

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ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DODE-00	ITCE-00	DOT-00	SRPP-00	EB-00	EXME-00	E-00
	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	

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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6172
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC

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UNCLASSIFIED

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Channel: n/a

AMEMBASSY CARACAS
 AMEMBASSY QUITO
 AMEMBASSY LA PAZ
 AMEMBASSY LIMA
 AMEMBASSY PANAMA

UNCLAS SECTION 19 OF 27 BOGOTA 006314

STATE FOR EB/IFD/OIA
 STATE PASS TO USTR
 STATE PASS TO OPIC
 COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
 3134/USFCS/OIO/WH/DLUTTER

UNCLASSIFIED

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 E.O. 12958: N/A
 TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
 SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

(EXCLUDES PORTFOLIO AND PETROLEUM)

COUNTRY STOCK	1999	% TOTAL	INVEST 98	INVEST 99	
UNITED STATES	5,149,070	26.5	86,908	823,270	
CANADA	182,073	1.0	-27,004	-23,507	
MEXICO	115,661	0.6	6,669	35,038	
PANAMA	2,515,528	12.9	1,429,987	7,635	
ARGENTINA	25,475	0.1	4,885	423	
BRAZIL	74,517	0.4	8,825	-3,704	
CHILE	195,695	1.1	-16,112	132,123	
ECUADOR	116,231	0.6	-37,617	17,857	
PERU	39,723		0.2	-59	15,391
URUGUAY	55,889	0.3	-7,893	21,372	
VENEZUELA	343,522	1.8	42,621	41,847	
ANTILLES	125,156	0.7	-3,649	46,971	
BAHAMAS	286,443	1.5	75,145	64,414	
BERMUDA	721,325	3.7	64,967	424,976	
VIRGIN ISLANDS	1,196,511	6.1	70,867	411,228	
CAYMAN ISLANDS	2,447,837	12.6	560,218	659,612	
GERMANY	422,033	2.2	41,910	101,356	
SPAIN	2,091,883	10.8	1,652,381	-85,034	
FRANCE	383,146	2.0	27,076	127,859	
HOLLAND	1,271,461	6.5	45,415	875,927	
IRELAND	34,390	0.2	687	13,948	
ITALY	137,357	0.7	-14,213	92,372	
LIECHTENSTEIN	50,141	0.2	-12,219	1,852	

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UNITED KINGDOM	398,138	2.0	-9,401	253
SWEDEN	101,033	0.5	-1,740	9,701
SWITZERLAND	470,629	2.4	68,401	102,714
SOUTH KOREA	12,827	0.1	-2,071	9,891
JAPAN	234,505	1.2	39,667	17,767
OTHERS	210,274	1.1	650,613	661,415
TOTAL	19,408,473	100.0	4,185,406	4,002,093
PORTFOLIO FLOW			-264,925	-27,640

SOURCE: CENTRAL BANK

NOTE: STATISTICS ARE BASED ON INVESTMENT REGISTRATIONS IN THE CENTRAL BANK. FIGURES ARE DIFFERENT FROM THE FOREIGN INVESTMENT FIGURE USED IN THE BALANCE OF PAYMENTS, AND NOT NECESSARILY MATCH.

TABLE 2

FOREIGN INVESTMENT FLOW IN COLOMBIA BY ACTIVITY
 (THOUSANDS OF US DOLLARS)

ACTIVITY	INVEST 97	INVEST 98	INVEST 99
PETROLEUM	890,000	642,000	416,000
MANUFACTURING	640,688	575,642	1,474,872
MINING	289,444	101,131	35,528
FINANCIAL	455,026	747,179	523,334
COMMERCE	2,940	238,114	378,628
CONSTRUCTION	44,667	22,698	117,608
TRANSP/COMMUN.	360,355	69,293	546,496
AGRICULTURE	26,767	23,223	65,809

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SOCIAL SERVICES	25,907	11,034	41,226
ELECTRICITY/GAS/WATER	947,003	2,308,092	818,593
OTHER	125	90,000	0
TOTAL	3,822,922	4,828,406	4,418,094
PORTFOLIO	561,760	-264,925	-27,640

SOURCE: CENTRAL BANK

TABLE 3

FOREIGN DIRECT INVESTMENT
 (PERCENT OF GDP)

1998 1999

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Channel: n/a

CAPITAL INFLOWS	5.1	5.1
STOCK	18.1	23.8

(TOTAL INVESTMENT INCLUDING PETROLEUM AND PORTFOLIO)

SOURCE: CENTRAL BANK

TABLE 4

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UNCLASSIFIED PTQ4972

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ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DODE-00	ITCE-00	DOTE-00	SRPP-00	EB-00	EXME-00	E-00
	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	
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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6173
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

UNCLAS SECTION 20 OF 27 BOGOTA 006314

STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

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E.O. 12958: N/A
TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO

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SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

COLOMBIA'S FOREIGN INVESTMENT FLOWS BY COUNTRY
 (THOUSANDS OF US DOLLARS)

COUNTRY	1996	1997	1998	1999
PANAMA	12,904	41,130	826,721	11,902
VENEZUELA	28,842	101,682	34,057	81,581
ECUADOR	-5,182	8,867	21,904	38,602
PERU	9,213	11,268	228	53,176
BAHAMAS	4,919	5,845	0	20,136
CAYMAN ISLANDS	3,813	5,427	250	10,007
UNITED STATES	2,683	11,011	18,659	-19,041
CHILE		980	963	480
GREAT BRITAIN	1,637	0	4,885	0
BRITISH V. IS.	4,507	260,443	13,241	26,056
BARBADOS	0	435	0	0
COLOMBIA FREE ZONES	772	187	227	9,661
BOLIVIA	258	404	475	7,916
COSTA RICA	-100	-244	0	3
MEXICO	450	3,567	535	516
GUATEMALA	112	4	0	2,428
ARGENTINA	0	3,847	0	509
LITHUANIA	250	0	0	0
FRANCE	0	0	8,106	1,113
GERMANY	0	0	0	0
BRAZIL	01,726	700	3,709	1,132

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CURACAO	-2,750	0	0	0
EL SALVADOR	0	-700	0	0
GIBRALTAR	0	300	0	0
NICARAGUA	0	141	0	0
PORTUGAL	0	-8,058	34,504	0
PUERTO RICO	70	66	0	3,500
ANTIGUA & B.	0	0	0	0
SPAIN		3,500	-4,621	14,967
6,531				
ALL OTHERS	3,000	96	2,213	379,119
TOTAL		74,466	441,782	985,167
622,649				

SOURCE: CENTRAL BANK

TABLE 5

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MAJOR FOREIGN INVESTORS

COUNTRY OF ORIGIN/COMPANY	FOREIGN INVESTOR	ECON. ACTIVITY
ARGENTINA:		
IMPESA ANDINA S.A.	CORP. IMPESA S.A.	COMPUTERS
IMPESAT S.A.	IMPESAT CORPORATION	COMPUTERS
TECHINT INTER. CONST.	TECHINT INTER. CORP.	CONSTRUCTION

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BELGIUM:

COLOMBIT S.A.	ETEX GROUP	CONSTRUCTION
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BRAZIL:

BANCO REAL	BANCO REAL	BANKING
CONSTRUCTORA ANDRADE G.S.A.	CONSTRUCTORA ANDRADE	CONSTRUCTION
CONSTRUCTORA NORBERTO	CONSTRUCTORA NORBERTO	CONSTRUCTION
ODEBRECHT	ODEBRECHT	
CONSULTORA NOVATECH	BAAN S.A.	SOFTWARE
ELEVADORES ATLAS S.A.	ELEVADORES ATLAS S.A.	MACHINERY
PETROBRAS INTERNACIONAL S.A.		PETROBRAS
INTERNACIONAL	PETROLEUM	
PLANETA LINUX LTD.	CONECTIVA INFORMATICA LTD.	SOFTWARE
UNIMEC EPS S.A.	UNIMED DO BRASIL	MEDICAL
VARIG S.A.	VARIG S.A.	AVIATION

CANADA:

BOEHRINGER INGELHEIM	PHARMA INVESTMENT	PHARMACEUTICALS
CARBOQUIMICA S.A.	SWISINVEST LTD.	CHEMICALS
CIA MANUFACTURERA MANISOL	BATA SHOE ORG.	SHOES/TEXTILES
COMCEL	BELL CANADA	TELECOM
CENTRORIENTE S.A.	TRANSCANADA PIPELINES	PETROLEUM
TRANSGAS DE OCCIDENTE	TRANSCANADA PIPELINES	PETROLEUM

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UNCLASSIFIED PTQ4976

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ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DODE-00	ITCE-00	DOT-00	SRPP-00	EB-00	EXME-00	E-00
	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00

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Current Handling: n/a
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LBA-00 DRL-02 G-00 NFAT-00 SAS-00 /014W
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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6174
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

UNCLAS SECTION 21 OF 27 BOGOTA 006314

STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

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E.O. 12958: N/A
TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

OCENSA	TRANSCANADA PIPELINES	PRETROLEUM
GREYSTAR RESOURCES LTD.	GREYSTAR RESOURCES LTD.	MINING
G		
ICO PINTURAS	SWISINVESS LTD	PAINT
IMPREANDES PRESENCIA S.A.	QUEBECOR PRINTING INC.	PRINTING
KAPPA RESOURCES COL. LTD.	KAPPA ENERGY CO. INC.	MINING
MCCAIN ANDINA S.A.	MCCAIN FOODS LTD.	FOOD
MEALS S.A.	ALASKA B.F. INC.	FOOD
NORTHERN TELECOM DE COL.	NORTHERN TELECOM LTD.	TELECOM
PRODUCTOS ROCHE S.A.	SAPAC CORPORATION	CHEMICALS
ROYALCO S.A.	ROYAL GROUP TECH. LTD.	CONSTRUCTION
SANDOZ COLOMBIANA	MONTREAL TRUST CO.	PHARMACEUTICALS

CHILE:		
AMERICATEL COL.	EMPRESA NAL. TELECOM. COMMUNICATIONS	
BETANIA	ENDESA S.A.	ELECTRICITY
CHIVOR S.A. ESP	GENER S.A.	ELECTRICITY
SODIMAC S.A.	SODIMAC S.A.	COMMERCE
SYNAPSIS S.A.	SYNAPSIS S.A.	COMPUTERS

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CHINA:

MOTOS JIALING
KAMBAS-GRAN DRAGON
CASANARE TELECOM CO

GRUPO CHINA JIALING MOTORBYKES
GRUPO GRAN DRAGON TELECOM TELECOM

DENMARK:

COMPAA METALRGICA

BERA PLUMROSE A.S.
UNCLASSIFIED

METAL

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PLUMROSE MADRILEA THE EAST ASIATIC CO. LTD. FOOD

ECUADOR:

BANCO DE PACFICO
INVERSORA PICHINCHA S.A.
BANCO ANDINO DE COLOMBIA

BANCO DEL PACFICO S.A.	BANKING
BANCO DEL PICHINCHA C.A.	FINANCIAL
BANCO POPULAR DEL ECUADOR	BANKING

FINLAND:

NOKIA COLOMBIA S.A.

NOKIA

TELECOM

FRANCE:

AIR FRANCE
ALCATEL DE COLOMBIA S.A.
ALSTOM T&D LTD.
BIOMERIEUX COL. LTD.
CARBONE LORRAINE DE COL.
CARREFOUR COL.
COMPAA TEXTIL SATEXCO
DEGREMONT COL. S.A.
RUCTION
ELF ATOCHEM COL.
ETERNIT COLOMBIANA S.A..
GEOSERVICES COL.
IND. COLOMBIANA DE LLANTAS
KELT COLOMBIA
PAM COL.
PERENCO COL. S.A.
PROBECOL LTDA.
SYNTHELABO FARM.
AGREVO S.A.
SAINT GOBAIN COLOMBIA

AIR FRANCE	AVIATION
ALCATEL ALSTHOM	TELECOM
ALSTOM S.A.	MACHINERY
BIOMERIEUX S.A.	PHARMACEUTICALS
CARBONE LORRAINE GROUP	MACHINERY
CARREFOUR S.A.	COMMERCE
DOLLFUS, MIEG & COMPAGNIE	TEXTILES
DEGREMONT S.A.	CONSTRUCTION
ELF ATOCHEM S.A.	CHEMICALS
EVERITE S.A.	CONSTRUCTION
THE GEOSERVICES GROUP	PETROLEUM
MICHELIN	TIRES
KELT	OIL
PONT-A-MUSSON S.A.	CONSTRUCTION
PERENCO	PETROLEUM
L'OREAL GROUP	PHARMACEUTICALS
L'OREAL GROUP	PHARMACEUTICALS
AVENTIS CROPSCIENCE	CHEMICALS
COMPAGNIE SAINT GOBAIN	GLASS

UNCLASSIFIED

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SANOFI WINTHROP DE COL.	SANOFI S.A.	PHARMACEUTICALS
SCHNEIDER DE COL.	SCHNEIDER ELECTRIC S.A.	MACHINERY
SOFASA - RENAULT	REGIE NATIONAL DES	AUTOMOTIVE
	UNISESS RENAULT	
SPIE CAPAG	SPIE CAPAG S.A.	PETROLEUM

Current Class: UNCLASSIFIED

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Channel: n/a

SODEXHO PASS DE COL.	SODEXHO	FOOD-SERVICES
TOTAL EXPLORATIE EN PRODUIT TEPMA		OIL

GERMANY:

AGREVO S.A.	AVENTIS CROPSCIENCE	CHEMICALS
BASF QUMICA COLOMBIA	BASF AG	CHEMICALS
BAYER DE COLOMBIA S.A.	GESELLSCHAFT FUR	CHEMICALS
	BETEILI/BAYER AC/MILES	
	INTL. MANAGEMENT CO.	
B.BRAUN MEDICAL S.A.	B. BRAUN MELSUNGEN AG	MEDICAL
BEIERSDORF S.A.	BEIERSDORF AG	INDUSTRY
BELONDA COL. S.A.	WELLA AG	COSMETICS
BMG ARIOLA DE COL.	BMG ENTERTAINMENT	ENTERTAINMENT
BOEHRINGER INGELHEIM S.A.	BOEHRINGER INGELHEIM	PHARMACEUTICALS
BOSCH TELECOM COL.	BOSCH TELECOM GMBH	TELECOM
COLBATECO S.A.	VARTA BATTERIE AG	BATTERIES
COLOMBIAN SEWING MACH.	SINGER SEWING MACHINE	DOMESTIC
DISTRIBUIDORA TOYOTA	GOETZ PFEIL SCHNEIDER	AUTOMOTIVE

UNCLASSIFIED

UNCLASSIFIED PTQ4979

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 ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DODE-00	ITCE-00	DOTE-00	SRPP-00	EB-00	EXME-00	E-00
	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	
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R 211137Z JUL 00
 FM AMEMBASSY BOGOTA
 TO SECSTATE WASHDC 6175
 DEPT OF TREASURY WASHDC
 DEPT OF COMMERCE WASHDC
 CIMS NTDB WASHDC
 AMEMBASSY CARACAS
 AMEMBASSY QUITO
 AMEMBASSY LA PAZ
 AMEMBASSY LIMA
 AMEMBASSY PANAMA

UNCLAS SECTION 22 OF 27 BOGOTA 006314

STATE FOR EB/IFD/OIA

Current Class: UNCLASSIFIED

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UNCLASSIFIED

Current Class: UNCLASSIFIED UNCLASSIFIED
Current Handling: n/a
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Channel: n/a

STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

UNCLASSIFIED

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E.O. 12958: N/A
TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

EL POMAR	WERNER WAGNER	LACTEOUS
FERROSTAAL DE COL S.A.	FERROSTAAL AG	MACHINERY
FESTO LTD.	FESTO AG & CO.	MACHINERY
GRUNENTHAL COLOMBIANA S.A.	GRUNENTHAL GMBH	PHARMACEUTICALS
HAARMAN & REIMER DE COL.	HAARMAN & REIMER	PHARMACEUTICALS
HENKEL COL. S.A.	HENKEL KGAA	CHEMICAL
HOECHST COLOMBIANA	HOECHST A.G.	PHARMACEUTICALS
KNOLL DE COLOMBIA	KNOLL DEUTSCHLAND	PHARMACEUTICALS
	NORDMARK ARZNEIMITTER	
LABORATORIOS ARTIBEL	HANS SCHWARZKOPF GMBH	COSMETICS
LOCTITE COL S.A.	LOCTITE CORP.	PAPER/PLASTICS
LUFTHANSA L.A. ALEMANAS	LUFTHANSA A.G.	AVIATION
MERCEDEZ BENZ COL. S.A.	DAIMLER CHRYSLER AG	AUTOMOTIVE
MERCK COL. S.A.	MERCK KGAA	PHARMACEUTICALS
PFAPF DE COLOMBIA	WILLI FRICKE	SEWINGMACHINES
PFIZER	PFIZER CORP.	PHARMACEUTICALS
PRINTER COLOMBIANA S.A.	BERTELMAN A.G.	PRINTING
SCHENKER COL S.A.	SCHENKER AG	TRANSPORTATION
SCHERING PLOUGH S.A.	SCHERING PLOUGH INTL.	PHARMACEUTICALS
SCHNEIDER DE COLOMBIA S.A.	SCHNEIDER ELECTRIC S.A.	ELECTRIC
SIEMENS S.A.	SIEMENS	ELECTRIC/TELECOM
	AKTIENGESELLCHART	
SIKA ANDINA S.A.	SIKA FINANZ A.G.	CONSTRUCTION
TECNACRIL LTDA.	A.W. FABER-CASTELL	INDUSTRY/PENS
VARTA S.A.	VARTA BATTERIE AG	BATTERIES

GREAT BRITAIN:

UNCLASSIFIED

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ALBRIGHT & WILSON PAAD LTD. ALBRIGHT & WILSON UK PHARMACEUTICALS
BANCO ANGLO COLOMBIANO LLOYDS BANK LTD. BANKING
BRITISH AIRWAYS PLC BRITISH AIRWAYS PLC AVIATION
BRITISH AMERICAN TOBACCO BRITISH AMERICAN TOBACCO TOBACCO
BRITISH PETROLEUM-AMOCO BRITISH PETROLEUM-AMOCO OIL/GAS
BUNDY COL. S.A. BUNDY GROUP METALMECHANICS
CASTROL COL. TLT. BURMAH CASTROL PLC AUTOMOTIVE/OIL

Current Class: UNCLASSIFIED

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COATS CADENA S.A.	COATS VIYELLA PLC	APPAREL
EMI COL S.A.	EMI GROUP	ENTERTAINMENT/SOUND
ESPA COL S.A.	GUARRO CASAS S.A.	PAPER/PLASTICS
GASES INDUSTRIALES DE COL.	BOC GROUP PLC	CHEMICALS
GLAXO WELLCOME DE COLOMBIA S.A.	GLAXO GROUP LTD.	PHARMACEUTICALS
I.C.I. COL.	IMPERIAL CHEMICAL PLC	CHEMICALS
J. WALTER THOMPSON COL.	J. WALTER THOMPSON CO.	ADVERTISING
OGILVY & MATHER S.A.	OGILVY & MATHER	ADVERTISING
OXFORD UNIVERSITY PRESS	OXFORD UNIVERSITY PRESS	PRINTING
RECKITT & COLMAN COL. S.A.	RECKITT & COLMAN PLC	INDUSTRY/CONSUMPTION
REUTERS LTD.	REUTERS GROUP PLC	NEWS
SHELL COLOMBIA S.A.	THE SHELL PETROLEUM	OIL/CHEMICALS
TRACEY & CIA	INCHAPE MOTORS INTER.	MACHINERY
UDV RUEDA	DIAEGO PLC	APPAREL
UNILEVER ANDINA S.A.	VERENIGDE B.V.	SOAPS/COSMETICS
VEEDOL INTL. LTD.	VEEDOL INTNL.	OIL/COAL
ZENECA FARMA DE COL.	ZENECA GROUP	PHARMACEUTICAL

ITALY:

ALITALIA L.A. ITALIANAS	ALITALIA SPA	AVIATION
BANCO SUDAMERIS	BANQUE SUDAMERIS	BANKING

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CARTONES AMERICA S.A.	PIERANGELO PACINI	PAPER/CARDBOARD
CINZANO DE COLOMBIA	CINZANO INTL.	FOOD
GENERALI COL.	ASSICURAZIONI GENERALI	INSURANCE
GRANDI LAVORI FINCOSIT	GRANDI LAVORI FINCOSIT	CONSTRUCTION
IMPREGGIO SPA	IMPREGGIO SPA	CONSTRUCTION
OLIVETTI COLOMBIA	OLIVETTI INTL. S.A.	OFFICE
PARMALAT COL.	PARMALATFINANZIARIA SPA	FOOD/MILK
PLASTIMAC COL.	PLASTIMAC SPA	INDUSTRY/PLASTIC
TPL TECNOLOGIE PROGETT	TPL TECNOLOGIE	CONSTRUCTION
ZAMBON COL. S.A.	ZAMBON GROUP SPA	PHARMACEUTICAL

JAPAN:

COMPAA COLOMBIANA AUTOMOTRIZ	MAZDA MOTOR CORP.	AUTOMOTIVE
EMTEC COMPAA LTDA S.C.I	SUSUMU OTA	EMERALDS
FUJITSU COL.	FUJITSU LTD.	TELECOM
GESTETNER COL. S.A.	RICOH CO. LTD.	MACHINERY
ITOCHU COL. S.A.	ITOCHU CORP.	COMMERCE
MARUBENI CORP.	MARUBENI CORP.	COMMERCE
MELCO DE COLOMBIA	MITSUBISHI CORP.	ELECTRIC CO.
ELEVATORS/PARTS		
MITSUBISHI COLOMBIA	MITSUBISHI CORP.	COMMERCIAL

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mitsui de col.

MITSUI & CO. LTD.

TELECOM

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INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DODE-00	ITCE-00	DOTE-00	SRPP-00	EB-00	EXME-00	E-00
	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	

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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6176
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

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TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

NEC DE COL. S.A.	NEC CORP.	TELECOM
SUMITOMO DE COL.	SUMITOMO CORP.	COMMERCE
SUZUKI MOTOR DE COLOMBIA	SUZUKI MOTOR CORP	MOTORBYKES
TEIKOKU OIL COL.	TEIKOKU OIL CO. LTD.	PETROLEUM
WAKED INTERNACIONAL DE COLOMBIA		SHISEIDO

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IDO CORP. YAZAKI CIEMEL LTDA.	COSMETICS YAZAKI CORP.	AUTOMOTIVE
LUXEMBOURG: CELCARIBE UNILEVER ANDINA S.A.	MILLICOM VERENIDGE B.V	TELECOM OILS & SOAPS
MEXICO: BONLAM S.A. CLOTH/TEXTILES CEMENTOS DEL CARIBE S.A. ETERNIT COLOMBIANA S.A MABE S.A.	BONLAM S.A. DE C.V. CEMEX S.A. MEXALIT S.A. MABE S.A.	CEMENT CONSTRUCTION APPLIANCES
NETHERLANDS: ABN AMRO BANK COL. BANCO REAL DE COLOMBIA SHELL COLOMBIA S.A. DISTRIBUIDORA QUIMICA ENKA DE COLOMBIA S.A.	ABN AMRO BANK N.V. BANCO REAL S.A. THE SHELL PETROLEUM CO. RANSDORP INVESTMENT INDUSTRIEEL BEZIT ENK/ BEZIT FONTANUS	BANKING BANKING OIL/GAS WASTE PROD. FIBERS

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EKA CHEMICALS DE COL.	EKA CHEMICALS AB	CHEMICALS		
FRIESLAND COL.	FRIESLAND DIARY FOODS	FOOD		
HUNTER DOUGLAS DE COL.	HUNTER DOUGLAS NV	CONSTRUCTION		
ING BARINGS COL.	ING BANK NV	BANKING		
INTERQUIM S.A.	CASCO PROD. AB	CHEMICALS		
INDS. PHILIPS DE COL.	PHILIPS ELECTRONICS NV	ELECTRONICS		
KPMG PEAT MARWICK COL.	KPMG INTER.	ACCOUNTING		
MARTIN AVIATION SERV.	MARTINAIR HOLLAND	AVIATION		
MAKRO DE COL.	SHV NV	COMMERCE		
ORGANON TEKNIKA COL.	ORGANON TEKNIKA NV	PHARMACEUTICALS		
POLYGRAM S.A.	POLYGRAM NV	ENTERTAINMENT/SOUND		
VAN LEER ENVASES DE COL.	ROYAL PACKAGING	INDUSTRY/PACKAGING		

PANAMA: ANTIOQUEA DE INVERSIONES S.A.	PANAMERICAN BEVERAGES	BEVERAGES
ATUNES DE COLOMBIA S.A.	ESTRELLA BLANCA DE PANAMA	TUNA FISHING
CENTElsa	HORIZON LTD.	ELECTRIC/TELECOM
COFRE-COLOMBIANA DE FRENOS S.A.	SOUTH AMERICAN HOLDING	AUTO PARTS
COLOMBIA TEXTILE	ELVARA LTD.	TEXTILES
INVERSIONES MEDELLN S.A.	PANAMERICAN BEVERAGES I.	BEVERAGES
REAL SEGUROS	REAL INTL. INSURANCE	INSURANCE

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SALVAT EDITORES
SCHLUMBERGER SURENCO
TAPON CORONA COLOMBIA

DIFEDI
SCHLUMBERGER SURENCO
RALEIGH S.A

PRINTING
OIL
METAL PROD.

PERU:
AEROPERU
ARTEFACTA S.A.

AEROPERU
ARTEFACTA S.A.
UNCLASSIFIED

AVIATION
COMMERCE

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BANCO TEQUENDAMA
BELSTAR S.A.

BANCO DE CREDITO
EBEL INTERNATIONAL

BANKING
COSMETICS

SOUTH KOREA:

DAEWOO MOTOR COL.

DAEWOO CORP

AUTOMOTIVE

DIDAEWOO S.A

DAEWOO CORP.

AUTOMOTIVE

DAEWOO ELECTRONICS DE COL.

DAEWOO ELECTRONICS CO.

ELECTRONICS

HIUNDAI CORP.

HIUNDAI CORP.

AUTOMOTIVE

LG ELECTRONICS INC.

LG ELECTRONICS INC.

ELECTRONICS

SAMSUNG ELECTRONICS DE COL.

SAMSUNG ELECTRONICS

ELECTRONICS

SPAIN:

AGEMAC VERDES COL.

AGEMAC S.A.

MACHINERY

AGUAS DE CARTAGENA S.A. ESP

AGUAS DE BARCELONA

SERVICES/WATER

AMPER S.A. COL

AMPER S.A.

TELECOM

BANCO GANADERO

BANCO BILBAO VIZCAYA

BANKING

BANCO SANTANDER COLOMBIA

SANTANDER INVESTMENT

BANKING

BELLOTA COL. S.A.

BELLOTA HERRAMIENTAS

MACHINERY

CODAC S.A. ESP

DRAGADOS Y CONSTR.

CONSTRUCTION

COLSANITAS S.A.

SANITAS INTER.

MEDICAL

ENDESA (CHILE)/(ESPAA)

EMGESA S.A.

ELECTRICITY

EXTEBANDES

BANCO EXTERIOR DE LOS
ANDES Y DE ESPANA

BANKING

UNCLASSIFIED

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ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	

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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6177
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

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E.O. 12958: N/A
TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

GAS NATURAL S.A.	GAS NATURAL SDG S.A.	SERVICES/GAS
HORIZONTE	BANCO BILBAO VIZCAYA	BANKING
IBERIA	IBERIA - COLOMBIA	AVIATION
DATAPOINT DE COLOMBIA	GRUPO GESTOR S.A.	CONSULTING
INTERAMERICANA ELECTRONICA	CODERE S.A.	ELECTRONICS
LUCTA GRANCOLOMBIANA	LUCTA S.A.	PHARMACEUTICALS
PIGMENTOS Y PROD. QUIMICOS	NUBIOLA PIGMENTOS	CHEMICALS
PEDRO DOMEQ COL.	PEDRO DOMEQ S.A.	SPIRITS
PLANETA COL. EDITORIAL S.A.	PLANETA INTER. S.A.	PRINTING
RADIOTRONICA S.A.	RADIOTRONICA S.A.	COMPUTERS
SEGUROS MAPFRE S.A.	CORP. MAPFRE	INSURANCE

SWEDEN:		
AGA-FANO FABRICA NACIONAL	AGA AKTIEBOLAG	MEDICAL
DE OXIGENO S.A.		
ALFA LAVAL S.A.	ALFA LAVAL AB	MACHINERY
ASEA BROWN BOVERI	ASEA BROWN BOVERI	ENERGY
ATLAS COPCO COL.	ATLAS COPCO AB	MACHINERY
BELONDA DE COLOMBIA	WELLA A.G.	HAIR PROD.
ELECTROLUX S.A.	ELECTROLUX GROUP	ELECTRONICS
ERICSSON DE COL.	TELEFONAKTIEBOLAGET LM	TELECOM
HUSQVARNA S.A.	HUSQVARNA AB	AUTOMOTIVE

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LUX DE COL. S.A.	AB LUX	FOOD/BEVERAGES
MERCK COLOMBIA S.A.	MERCK A.G.	PHARMACEUTICALS
ORIFLAME DE COL.	ORIFLAME INTER. AB	COSMETICS
SANDVIK COL. S.A.	SANDVIK AB	MACHINERY
SKANDIA COL.	SKANDIA INSURANCE CO.	INSURANCE

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SKF LATINTRADE COL.	AB SKF	COMMERCE
TETRA PAK LTD.	TETRA PAK	INDUSTRY/ PACKAGING

SWITZERLAND:

ASENSORES SCHINDLER DE COL.	SCHINDLER HOLDING LTD.	EQUIPMENT
ASEA BROWN BOVERY DE COL.	ABB ASEA BROWN	MACHINERY
AUTOPHON S.A.	ASCOM AG ASCOM	TELECOM
BUHLER S.A.	BUHLER AG	MACHINERY
CARCAFE S.A.	VOLCAFE AG	FOOD/COFFEE
CEMENTOS BOYAC S.A.	HOLDERBANK FINANCIERE	CEMENT

	GLARIS S.A.	
CIBA GEIGY COLOMBIA S.A.	CIBA GEIGY A.G.	PHARMACEUTICALS
CLARIANT COL.	CLARIANT AG	CHEMICALS
COMESTIBLES LA ROSA S.A.	NESTLE S.A.	FOOD
LAB. ALCON DE COL.	ALCON LAB. INC.	PHARMACEUTICALS
PROD. ROCHE S.A.	F. HOFFMAN-LA ROCHE	PHARMACEUTICALS
NESTLE DE COLOMBIA S.A.	NESTLE S.A.	FOOD
NOVARTIS DE COL.	NOVARTIS INTER. AG	PHARMACEUTICALS
T VAPAN 500	EXTENACO A.G.	FOOD

UNITED STATES OF AMERICA:

3COM INTER. INC.	3COM CORP.	COMPUTERS
AC NIELSEN COL.	AC NIELSEN CO.	SERVICES/ MARKETING
ASEA BROWN BOVERI LTDA.	ASEA BROWN BOVERI LTD.	ENERGY/ EQUIPMENT
ABBOTT LABORATORIES DE COLOMBIA S.A.	ABBOTT LABORATORIES	PHARMACEUTICALS
ALUSUD-EMBALAJES DE COL.	ALCOA ALUMINIO S.A.	ALUMINIUM
AMERICAN AIRLINES INC.	AMERICAN AIRLINES INC.	AVIATION

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AMERICAN PIPE AND CONSTRUCTION INTL.	AMERICAN PIPE & CONSTRUCTION INTL.	WATER PIPES
AMOCO COLOMBIA	AMOCO	OIL/GAS
AMWAY COL.	AMWAY CORP.	COSMETICS
ANDERSEN CONSULTING	ANDERSEN CONSULTING	CONSULTING
ARMCO COLOMBIA	ARMCO INC.	METAL
ARTHUR D. LITTLE DE COL.	ARTHUR D. LITTLE INC.	CONSULTING

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AT&T GLOBAL INFORMATION
SOLUTIONS DE COLOMBIA
AVERY DENISON COL.
BAIN HOGG COLOMBIANA
BAKER HUGHES DE COL.
BANCO DE BOSTON

BANK OF AMERICA
BEROL S.A.
BECTION DICKINSON DE COL.
BETZDEABORN S.A.
B.J. SERVICES CO.
BLACK & DECKER COLOMBIA
BLOCKBUSTER
BOOZ ALLEN & HAMILTON
BRISTOL MYERS SQUIBB S.A.

AT&T GLOBAL INFORMATION TELECOM
SOLUTION CO.
AVERY DENISON CORP PAPER/PLASTICS
HOGG GROUP OVERSEAS INSURANCE
BAKER HUGHES INC. PETROLEUM/MINING
BOSTON OVERSEAS BANKING
FINANCIAL CORP.
BANK AMERICA CORP. BANKING
BEROL PEN CO. PEN/PENCILS
BECTION DICKINSON & CO. MEDICAL
BETZDEABORN INC. CONSTRUCTION
B.J. SERVICES CO. PETROLEUM/MINING
INVERSIONES ZARANDALI CONSTRUCTION
BLOCKBUSTER VIDEO STORE
BOOZ ALLEN & HAMILTON CONSULTING
BRISTOL LABORATORIES PHARMACEUTICALS

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ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	

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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6178
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC

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COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

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TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO

SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

BUSH BOAKE ALLEN COL.	BUSH BOAKE ALLEN	PHARMACEUTICALS
C.I COLOMBINA GENERAL FOODS	PHILIP MORRIS	FOOD
	LATIN AMERICA INC.	
C.I. BANADEX	CRC PROPERTIES	BANANA
CABOT COLOMBIANA S.A.	UNION DE INDUSTRIAS	CHEMICALS
	QUIMICAS LTDA.	
CARGILL CAFETERA DE	CARGILL INC.	COFFEE/
MANIZALES S.A.		AGRICULTURE
CARULLA Y CIA. S.A.	NEWBRIDGE INVESTMENTS	SUPERMARKET
CEMENTOS PAZ DEL RO	CITIBANK	CEMENT
CENTRAGAS	ENRON CORP.	GAS
CHEVRON PETROLEUM CO.	CHEVRON PETROLEUM CO.	OIL
CHS COL.	CHS INC.	COMPUTERS
CHICLE ADAMS S.A.	TABOR LABORATORIES	CANDIES
CHUBB DE COLOMBIA	VIGILANT INSURANCE CO.	INSURANCE
CICOLAC	BORDEN INC.	DAIRY PROD.
CIGNA SEGUROS DE COLOMBIA	INSURANCE CO. OF	INSURANCE
	NORTH AMERICA	
CITIBANK COLOMBIA	CITIBANK OVERSEAS	BANKING
	INVESTMENT CORP.	
COATS CADENA S.A.	J&P COATS CIA.	TEXTILE FIBERS
COCA-COLA DE COLOMBIA S.A.	THE COCA-COLA EXPORT	BEVERAGES
	CORP.	
COLFONDOS	CITIBANK OVERSEAS	PENSION FUND
	INVESTMENT CORP.	
COLGATE PALMOLIVE & CIA	COLGATE PALMOLIVE	SOAP/CLEANING
COLOMBIANA KIMBERLY S.A.	KIMBERLY CLARK CO.	PAPER

UNCLASSIFIED

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COLPAPEL S.A.	KIMBERLY CLARK CO.	PAPER
COMPAQ COMPUTER	COMPAQ LATIN AMERICA	COMPUTERS
DE COLOMBIA S.A.	CORP.	
COMPUTER ASSOCIATES DE COL.	COMPUTER ASSOCIATES	COMPUTERS
COMSAT DE COL.	COMSAT CORP.	TELECOM
CONTINENTAL AIRLINES INC.	CONTINENTAL AIRLINES	AVIATION
CRISTALERIA PELDAR S.A.	EGGER & CO./	GLASS PROD.
CROWN LITOMETAL	CROWN CORK & SEALS	METAL PROD.
CROYDON S.A.	URANIS WORLDWIDE S.A	SPORT SHOES

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CYANAMID DE COLOMBIA
CYQUIUM DE COL.
DE LIMA & CIA. BOGOTA
DELMAIZ INYUCAL S.A.
DELOITTE & TOUCHE
DHL INTER LTD.
DIEBOLD COLOMBIA S.A.
DISA S.A.
DIGINET S.A.
DOW QUIMICA DE COL. S.A.
DOWELANCO DE COLOMBIA.
DOW CORNING DE COL.
DRUMMOND
DU PONT DE COLOMBIA S.A.

CYANAMID
CYTEC IND
MARSH & MCLENNAN
HIGHLAND OPERATING
DELOITTE & TOUCHE
DHL INTER LTD.
DIEBOLD INC.
BESTFOODS
DIGINET AMERICA INC.
THE DOW CHEMICAL CO.
DOWELANCO B.V.
DOW CORNING CORP.
DRUMMOND
DUPONT D'NEMOURS INC.

PHARMACEUTICALS
PHARMACEUTICALS
INSURANCE
FOOD
CONSULTING
SERVICES/COURIER
SECURITY VAULTS
FOOD
INTERNET
CHEMICALS
AGRICULTURAL
PHARMACEUTICALS
COAL
PESTICIDES/
AGRICULTURE

E.R. SQUIBB & SONS
INTER AMERICAN CORP.
ELI LILLY INTERAMERICANA
EMPAQUES BATES
EMPRESA ANDINA
EMPRESA DE ENERGIA DEL P.
ERNST & YOUNG LTDA.

E.R. SQUIBB & SONS
INTER AMERICAN CORP.
ELI LILLY INTERAMER.
CUST CO.
COOPER INC.
HOUSTON IND.
ERNST & YOUNG INTER

PHARMACEUTICALS

VETERINARY
PAPER BAGS
EQUIPMENT
ENERGY
CONSULTING

UNCLASSIFIED

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ESSO COLOMBIANA LTD.
EVEREADY DE COLOMBIA S.A.

ESSO COLOMBIANA COLOMBIA OIL/GAS
RALSTON PURINA OVERSEAS BATTERIES
BATTERY CO./EVEREADY
BATTERY CO.

EXPLOTACIONES CMS NOMEKO
EXXON CHEMICAL DEL SUR
FIBERGLASS DE COLOMBIA
FLORAMERICA
FORD MOTOR DE COL.
FOSTER WHEELER ANDINA

CMS ENERGY CORP. ENERGY
EXXON CHEMICAL INC. CHEMICALS
OWENS-CORNING FIBERGLASS GLASS
DOLE FOOD CO. FOOD/FLOWERS
FORD MOTOR CO. AUTOMOTIVE
FOSTER WHEELER CORP. CONSULTING/
CHEMICAL

FROSST LAB. INC.
FRUTERA COL. S.A.-FRUCO
GASES INDUSTRIALES DE
COLOMBIA -CRYOGAS S.A.

MERCK & CO. INC. PHARMACEUTICALS
AMALGAMATED BEVERAGES FOOD
B.O.C. HOLDINGS LTD. CHEMICALS

GENERAL DE EQUIPOS
GENERAL ELECTRIC
GENERAL MOTORS COLMOTORES
GILLETTE DE COLOMBIA S.A.

GENERAL MACHINERY CORP. HEAVY EQUIP.
GENERAL ELECTRIC ELECTRIC
GENERAL MOTORS CORP. AUTOMOTIVE
THE GILLETTE CO. SHAVING/
COSMETICS

G.M. COLMOTORES S.A.
GOODYEAR DE COLOMBIA

GENERAL MOTORS CORP. AUTOMOTIVE
THE GOODYEAR TIRE & TIRES & RUBBER
RUBBER CO.

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	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	

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R 211137Z JUL 00
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6179
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
STATE PASS TO USTR
STATE PASS TO OPIC
COMMERCE FOR 4331/IEP/OLA/AND/MGAISFORD/ AND FOR
3134/USFCS/OIO/WH/DLUTTER

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E.O. 12958: N/A
TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO
SUBJECT: INVESTMENT CLIMATE STATEMENT-2000

GRACE COL. S.A.	W.R. GRACE & CO.	CHEMICALS
GRIFITH COL.	GRIFITH LAB. INC.	PHARMACEUTICALS
HALLIBURTON LATIN AMERICA	HALLIBURTON COLOMBIA	OIL
H.B. FULLER COL.	H.B. FULLER CO.	CHEMICALS
HEALTH DE COLOMBIA	C.E. HEATH OVERSEAS	INSURANCE
	BROKERING LTD.	
HELMERICH & PAYNE	HELMERICH & PAYNE	OIL

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COLOMBIA DRILLING	DRILLING COLOMBIA	
HEWLET PACKARD COL.	HEWLET PACKARD CO.	COMPUTERS
HOME PRODUCTS	HOME PRODUCTS INC.	CHEMICALS
HONEYWELL COL.	HONEYWELL INC.	MACHINERY
IBM DE COLOMBIA S.A.	IBM WORLD TRADE CORP.	COMPUTERS
INDUSTRIA COLOMBIANA	EBERHARD FABER INC.	PENCILS
DE LAPICES		
INDUSTRIAL DE GASEOSAS S.A.	PANAMERICAN BEVERAGES	BEVERAGES
INDUSTRIAS GRAN COLOMBIA	MAPLE LIMITED	FOOD
INDUSTRIAS INEXTRA S.A.	PROCTER & GAMBLE CO.	SOAPS/CLEANING
INDUSTRIAS PHILIPS	PHILIPS OVERSEAS HOLDING	ELECTRIC DE
COLOMBIA S.A.		
INGERSOLL DRESSER PUMPS	INGERSOLL DRESSER PUMPS	MACHINERY
INTER-CONTINENTAL	INTERCONTINENTAL	HOTELS
DE COLOMBIA	OVERSEAS HOLDING CORP.	
INTERCOR	EXXON CORP.	COAL
JOHNSON & HIGGINS	WILCOX PECK HUGHES	INSURANCE
JOHNSON & JOHNSON	JOHNSON & JOHNSON INTL.	HYGIENE
DE COLOMBIA S.A.		
KELLOGG DE COLOMBIA S.A.	KELLOGG CO.	FOOD

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KIMBERLY S.A.	KIMBERLY CLARK CO.	PAPER/FIBER
K & M SERVICIOS TECNICOS	K & M ENGINEERING CORP.	SERVICES/
		ENGINEERING
KODAK COLOMBIA LTD.	KODAK COLOMBIA	PHOTOGRAPHY
KORN FERRY INTER COL.	KORN FERRY INTER	SERVICES
LA INTERAMERICANA	FIRIMIS INSURANCE CO.	INSURANCE
DE SEGUROS	OF NEWARK	
LAB. BAXTER S.A.	BAXTER HEALTHCARE	PHARMACEUTICALS
LABORATORIOS WYETH INC.	WYETH COLOMBIA	CHEMICALS
LEO BURNET COL.	LEO BURNETT INC.	ADVERTISING
LIBERTY SEGUROS	LIBERTY MUTUAL INSURANCE	INSURANCE
LOTUS COL.	LOTUS DEVELOPMENT CO.	SOFTWARE
LUMINEX S.A.	GRAMEX S.A.	ELECTRIC
MAIZENA S.A.	CPC INTERNATIONAL INC.	FOOD
MATTEL COL.	MATTEL INC.	COMMERCE
MCCANN ERICSSON CORP.	MCCANN ERICSSON	ADVERTISING
MCGRAW HILL DE COL.	THE MCGRAW HILL CO.	PRINTING
MCKINSEY & CIA. COL.	MCKINSEY & CO	ACCOUNTING
MEGATIENDAS S.A.	TOWER RECORDS	BOOKS/MUSIC
MICROSOFT BRANCH COL.	MICROSOFT CORP.	COMPUTERS
MOBIL DE COLOMBIA	MOBIL INTL. PETROLEUM	OIL/GAS
MONSANTO COLOMBIANA INC.	COLOMBIA DE MONSANTO	CHEMICALS
MOTOROLA DE COL.	MOTOROLA INC	TELECOM
NABISCO ROYAL COLOMBIANA	NABISCO INC.	FOOD
NCR COL.	NCR CORP.	TELECOM
NEWELL SANFORD S.A.	SANFORD CORP.	INDUSTRY/PENS

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NORTHERN TELECOM	NORTHERN TELECOM LTD.	TELECOM
OCCIDENTAL DE COLOMBIA INC.	OCCIDENTAL DE COLOMBIA	OIL/GAS
OLEODUCTO CENTRAL-OCENSA	ENRON CORPORATION	GAS
ORACLE COL.	ORACLE CORP.	COMPUTERS
OWENS CORNING ANDERCOL	OWENS CORNING	CONSTRUCTION

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OXIGENOS DE COLOMBIA	PRAXAIR CO.	MEDICAL		
PAN AMERICAN COLOMBIA	PAN AMERICAN LIFE	INSURANCE		
	INSURANCE CO.			
PARKE DAVIS AND CO.	PARKE DAVIS & CO.	PHARMACEUTICALS		
PARKER DRILLING CO.	PARKER DRILLING CO.	OIL		
PEPSI COLA PANAMERICANA	PEPSICO INC.	BEVERAGES		
PFIZER S.A.	PFIZER INC.	PHARMACEUTICALS		
PHARMACIA 7 UPJOHN INTER.	PHARMACIA & UPJOHN	PHARMACEUTICALS		
PIZANO S.A.	TABLEX HOLDINGS LTD.	WOOD PROD.		
POLYMER S.A.	INTERPLAST CORP. USA	POLYMERS		
POLAROYD COL.	POLAROYD CORP.	MACHINERY		
PRICE WATERHOUSE CONSULTORES		PRICE		
WATERHOUSE COOPERS	CONSULTING			
PROCTER & GAMBLE COL.	PROCTER & GAMBEL CO.	INDUSTRY/		
		CONSUMPTION		
PRODUCTOS QUAKER S.A.	THE QUAKER OATS CO./	FOOD		
	WOLF BRAND PRODUCTS			
PROMIGAS ESP	ENRON CORPORATION	GAS		
DISTRIBUTION				
PROPAL S.A.	INTL. PAPER	PAPER		
PURINA COLOMBIANA S.A.	RALSTON PURINA CO.	VETERINARY PROD.		
QUIMICA NALCO DE COL.	NALCO CHEMICAL CO.	CHEMICALS		
RECKITT & COLMAN	SUFFOLK CHEMICAL CO.	SOAPS/CLEANING		

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ACTION WHA-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DODE-00	ITCE-00	DOTE-00	SRPP-00	EB-00	EXME-00	E-00
	FAAE-00	UTED-00	FBO-01	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	DCP-01
	NSAE-00	NSCE-00	OIG-03	OMB-01	OPIC-01	PM-00	ACE-00
	SP-00	SSO-00	SS-00	STR-00	USIE-00	FMP-00	PMB-00
	LBA-00	DRL-02	G-00	NFAT-00	SAS-00	/014W	

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TO SECSTATE WASHDC 6180
DEPT OF TREASURY WASHDC
DEPT OF COMMERCE WASHDC
CIMS NTDB WASHDC
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA

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STATE FOR EB/IFD/OIA
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TAGS: ECON, EINV, KIDE, KSPR, KTDB, OPIC, CO

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COLOMBIA S.A.	RECKITT & COLMAN PLC.	PRODUCTS
ROHM AND HAAS COLOMBIA	ROHM AND HAAS CO.	PESTICIDES
RTS COLOMBIA	BAXTER HEALTHCARE	PHARMACEUTICALS
SABORES Y FRAGANCIAS	FLAVORS & FRAGANCES	CHEMICALS
SC JOHNSON & SON	SC JOHNSON & SON	PAINT
SCHERING PLOUGH S.A.	SCHERING PLOUGH	PHARMACEUTICALS
SCHULEMBERG IND. COL.	SCHULEMBERG LTD.	PETROLEUM
SEGUROS FENIX	SUN ALIANCE OVERSEAS	INSURANCE
CARTON DE COLOMBIA SA	CONTAINER CORP, OF AMERICA	CARDBOARD/ PAPER
SONY MUSIC ENTERTAINMENT	SONY CORP. OF AMERICA	RECORDINGS
SPENCER STUART COL.	SPENCER STUART	CONSULTING
STEPAN COL. DE QUIMICOS	STEPAN CO.	CHEMICALS
SUCROMILES S.A.	MILES OVERSEAS INC.	CHEMICALS
TECNICAS BALTIME DE COLOMBIA S.A.	EXPROA BANA LTD.	BANANA/FRUIT
TECNOCLOR S.A.	THE CLOROX CO.	INDUSTRY/ CHEMICALS
TEXAS PETROLEUM CO. COLOMBIA	TEXAS PETROLEUM CO.	OIL/GAS
THE WALT DISNEY CO.	THE WALT DISNEY CO.	ENTERTAINMENT
TRANSEJES S.A.	DANA CORP.	AUTOMOTIVE
TRITON COL.	TRITON ENERGY LTD.	PETROLEUM
TOXEMENT S.A.	EUCLID CHEMICAL CO.	CHEMICALS

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UNION CARBIDE INTER-AMERICA UNION CARBIDE INTER- BATTERIES
AMERICA COLOMBIA
UNIPHARMA S.A. THE UPJOHN CO. PHARMACEUTICALS
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UNISYS DE COLOMBIA S.A. UNISYS DE COLOMBIA COMPUTERS/
SOFTWARE
WACKENHUT DE COL. THE WACKENHUT CORP. SERVICES/
SECURITY
WARNER LAMBERT LTD. WARNER LAMBERT PHARMACEUTICALS
COLOMBIA LTD.
WHITEHALL LABORATORIOS WHITEHALL LAB. PHARMACEUTICALS
XEROX DE COLOMBIA S.A. XEROX CORPORATION COPY MACHINES
YOUNG & RUBICAM S.A. YOUNG & RUBICAM INC. ADVERTISING

VENEZUELA:
AEROLINEAS VENEZOLANAS AEROLINEAS VENEZOLANAS AVIATION
BANCO MERCANTIL DE COL. BANCO MERCANTIL BANKING
CERVECERIA POLAR S.A. CERVECERIA POLAR S.A. BEVERAGES
INELECTRA COL. INELECTRA PROYECTOS CONSTRUCTION
LATINOAMERICANA DE SEGUROS LATINOAMERICANA DE SEG. INSURANCE
MONOMEROS COLOMBO- PETROQUIMICA CHEMICALS
VENEZOLANOS S.A. VENEZOLANA/I.F.I.
PRODUCTOS DE MAIZ PROMASA PROMASA FOOD
SAVOY BRANDS COL. EMPRESAS POLAR FOOD/BEVERAGES
SUDAMTEX DE COL. SUDAMTEX DE VENEZUELA TEXTILES

KAMMAN

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